

The attached results information is from the

FY 2001

**RESULTS REVIEW AND
RESOURCE REQUEST
(R4)**

for

Morocco

**and was assembled and analyzed by
USAID/Morocco**

April, 1999

The R4 is a “pre-decisional” USAID document and does not reflect results stemming from formal USAID reviews. Additional information on the attached can be obtained from:
Dan Gowen, ANE/MEA, USAID/W.

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Please Note:

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Released on or after Oct. 1, 2001

April 16, 1999

MEMORANDUM

TO: Robert Randolph, AA/ANE
FROM: James Bednar, Director, USAID/Morocco
SUBJECT: USAID/Morocco R4 2001

I am pleased to hereby submit USAID/Morocco's Results Reporting and Resource Request FY2001. It should serve as a good reference during the new strategy review in May. FY98 was a year of transition for Morocco, as the new government took form and began to set its priorities. Our results show continued progress though perhaps at a slower rate than we had hoped. This is no surprise given the political changes. I am confident that the momentum has already begun to accelerate in recent months and that the stage is well set for substantial progress in FY99 and beyond.

FY98 also was a year of transition for USAID/Morocco as it began to prepare a new country strategy under new management. Following are particular management issues, most of which emanate from our transition to a new country strategy and Morocco's transition to a new government.

Management Contract: This R4 reports performance against the current management contract and the current strategy for FY95 – FY2000. During FY98, the Mission made substantial progress in developing a new strategy, covering the period FY99 – FY05. With approval of the new strategy (anticipated in May 1999), a new management contract will incorporate all continuing activities plus anticipated new activities.

The first obligation of funds under the new strategy will occur in FY99, with the approval of the Results Package for the revised water strategic objective. Subsequent obligations of funds for new activities under other SOs/SpOs will occur in late FY2000. Substantial progress against the new strategy (based on new or substantially redirected activities) will not materialize until late FY2000 or early FY2001. Thus, the FY2002 R4 (in the Spring of 2000) will report progress against the current strategy and management contract and describe the transition from our old strategy to our new one. The FY2003 R4 will be our first progress report against the new strategy, the new management contract and the new performance monitoring plan.

Circumstances Altering the Management Contract: The Mission has decided to continue for one additional year the current SO1 (health), which will become Special Objective 7 (SpO7) in the new strategy and will effectively begin in FY2000. This decision allows the Mission to negotiate

the transition from a large, broad, bilateral assistance program with the Ministry of Health, to a much smaller, tighter focussed assistance program that will be managed via a series of Global Bureau activities.

Staffing/OE Issues: In response to previously recommended staffing levels, the Mission's USDH workforce level (excluding RUDO) may be reduced from the current level of 7 to 5 with the elimination of the Population/Health Officer position in FY 2000 and the Controller position in FY 2001.

Eliminating the Controller position would be a decision the Mission would make reluctantly. The Mission has begun a dialogue with USAID/Egypt concerning its capacity to provide USAID/Morocco with regional Controller support. However, it is USAID/Morocco's opinion that, given the transitions that will occur during the strategy period, as activities close down and staffing levels reduce (towards the end of the new strategy period), the Mission would be better served by an in-country Controller rather than by regional support, however capable that support may be. Therefore, the Mission proposes that the Controller position be maintained at least until the end of the strategy period (FY05), and that the issue be revisited once the Mission has reached its post-strategy size.

The Mission is also concerned about its capacity to manage the two special objectives (Health/Population & Education) which will be entering their heaviest implementation phases just prior to closeout in FY 2004. Accordingly, to help ensure that these two objectives are achieved within their relatively short timeframes, the Mission requests that the Health/Population Officer position be replaced by a General Development Officer, with particular strengths primarily in Education and secondarily in Health/Population.

This Year's and Next Year's Indicators: As requested, attached to this memorandum is a summary of the indicators that are being reported on in this R4 (R4 2001) and those that will be reported on in our next R4 (R4 2002).

Following is a summary of the indicators that are being reported on in this R4 (R4 2001) and those that will be reported on in our next R4 (R4 2002).

R4 2001 **Objective: SO1 Health**

- 1) Indicator 1.1.1: Percent of couple years of protection (CYP) from use of long-term methods in the public sector
- 2) Indicator 1.1.3: Met need for emergency obstetrical care in target areas
- 3) Indicator 1.2.2: Policies/regulations supportive of improved FP/MCH services: access, quality and sustainability
- 4) Indicator 1.4.1: Total combined CYPs delivered by the commercial private sector as a proportion of all CYP delivered by public and private sectors

R4 2002

- 1) Indicator 1.1.1: Percent of couple years of protection (CYP) from use of long-term methods in the public sector
- 2) Indicator 1.2.2: Policies/regulations supportive of improved FP/MCH services: access, quality and sustainability
- 3) Indicator 1.3.2: Evidence of data-driven FP/MCH program action in focus regions/provinces (Agadir and Meknes) (may be revised)
- 4) Indicator 1.4.1: Total combined CYPs delivered by the commercial private sector as a proportion of all CYP delivered by public and private sectors

R4 2001 **Objective: SO2 Water**

- 1) Indicator 2.2: Volume of water savings in target areas
- 2) Indicator 2.4: Number of municipalities with improved wastewater treatment, garbage collection, landfill management, greenspaces and recycling services
- 3) Indicator 2.1.1: Progress toward adoption of 11 key reforms
- 4) Indicator 2.3.1: Number of environmental activities implemented with NGO partners

R4 2002

- 1) Indicator 2.1: Amount of water pollution in target areas
- 2) Indicator 2.4: Number of municipalities with improved wastewater treatment, garbage collection, landfill management, greenspaces and recycling services
- 3) Indicator 2.1.1: Progress toward adoption of 11 key reforms
- 4) Indicator 2.3.1: Number of environmental activities implemented with NGO partners

R4 2001 **Objective: SO3 Economic Growth**

- 1) Indicator 3.1: Jobs created through program activities for below-median-income people
- 2) Indicator 3.1.1: Improved policy and regulatory reform
- 3) Indicator 3.2.1: Number of business licenses issued to SMEs
- 4) Indicator 3.2.3: Number of microenterprises receiving loans and amount loaned through the formal credit system

R4 2002

- 1) Indicator 3.1.1: Improved policy and regulatory reform
- 2) Indicator 3.2.1: Number of business licenses issued to SMEs
- 3) Indicator 3.2.3: Number of microenterprises receiving loans and amount loaned through the formal credit system
- 4) Indicator 5.2.1: Progress toward institutional strengthening

R4 2001 Special Objective: SpO4 Education

- 1) Indicator 4.1: Adjusted gross enrollment rate
- 2) Indicator 4.4: Gross completion rate
- 3) Indicator 4.2.1: Policies/measures supportive of improved basic education for girls
- 4) Indicator 4.3.1: Participation intensity level

R4 2002

- 1) Indicator 4.1: Adjusted gross enrollment rate
- 2) Indicator 4.4: Gross completion rate
- 3) Indicator 4.2.1: Policies/measures supportive of improved basic education for girls
- 4) Indicator 4.3.1: Participation intensity level

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- 3. Program Integration, Synergy and Cross-cutting Themes**
- 4. Evaluation Agenda**

Part I: Overview and Factors Affecting Program Performance

A. U.S. National Interests and MPP Linkages

U.S. foreign policy objectives in Morocco are three-fold: assuring stability in the region, promoting economic prosperity and supporting the Moroccan government's enthusiasm to increase democracy, including promotion of decentralization and human rights. These objectives are reinforced by a dedication to helping Morocco implement market reforms, removing local impediments to trade and investment, and promoting U.S. exports. There is a unique opportunity for Morocco, the Maghreb region, the Islam nations and the Western world, as Morocco's "government of alternance" moves to address a myriad of social, political and economic challenges. It must succeed and it is in the United States' interest to help assure that the Moroccan experiment succeeds. Our support could be instrumental in helping to ensure that Morocco emerges as a more stable, democratic, and prosperous partner in the region.

Building on a foundation for renewed partnership and friendship, the U.S. Embassy/Rabat has targeted six strategic goals of the International Affairs Strategic Plan (IASP): (*Morocco Mission Performance Plan 1998*): open markets, U.S. exports, broad-based economic growth, democracy, regional stability, and population growth curbed. USAID/Morocco directly supports three of these goal areas and indirectly supports a fourth. Specifically, SOs 2 and 3 support the open markets and broad-based economic growth goal areas; SO1 comprises the Embassy's population goal area, and each objective indirectly supports the democracy goal area.

In support of these shared U.S. and Moroccan objectives, USAID/Morocco continues to make significant contributions to Morocco's socio-economic development and reforms.

B. Country Factors Influencing Progress

The most prominent event which affected progress of USAID's activities in Morocco is the appointment in February 1998 of a new government, based on the results of 1997 elections. The new government's composition represents a coalition of various parties from the former opposition. The governmental coalition enjoys the trust of the population, and carries the promise of a more progressive, civic-minded polity with improving attitudes towards human rights and self-expression, decentralized authorities and a liberalized economy.

However, several members of the new government have never been in charge of a ministerial portfolio, which led to a natural setting-in period. As a result, despite early on proclamation of the GOM's commitment to accelerated economic and social reform, the reform process was slowed-down across the board. The action of the new government was sometimes also slowed by the establishment of an additional chamber of parliament. For example, the government put a hold on the privatization process, pending a revision of its overall policy for the sector; once it was ready to resume by extending the program by one year, its draft was rejected by the parliament, further delaying the privatization process.

C. Summary Progress

Across the portfolio, this has been a year of high-paced implementation, balanced with a focus on defining the new strategy. The mission maintained a focus on sustainability, on consolidating gains, and on identifying opportunities for replication of successful interventions.

SO1: Reduced Fertility and Improved Health of Children under Five and Women of Child-bearing Age

Performance in this SO has been solid, typified by high-paced implementation. As a result of sustained USAID assistance, Morocco is now recognized as a leader in the Middle East and North Africa in the area of integrated

management of childhood illnesses, having in place all the elements necessary to complete the pilot introduction and easily expand it nationwide. The Ministry of Health (MOH) has publicly committed to procure contraceptives and to position the family planning program as a national priority. Within the framework of the Government's renewed decentralization initiative, the MOH, with USAID assistance, has taken the lead among GOM ministries in actually proceeding with regionalization. The emergency obstetric care activity became fully operational in FY98, exceeding beneficiary targets and stimulating donor interest in replication. The IEC Division of the MOH has continued to develop as a critical resource in the Ministry's efforts to achieve sustainability. These impressive accomplishments have been balanced by clear agreements on future strategic directions in anticipation of reduced US assistance to this area.

SO2: Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors

FY98 was a year of significant implementation and transition planning. Progress is well on-track with major results achieved this year and more positive results expected next year as demonstrations are made operational. The volume of water saved in target areas was exceeded, and the groundwork for significant on-farm water savings was laid. Over 500,000 residents of target cities benefited from improvements in waste-water treatment garbage collection, landfill management, greenspaces and recycling services. The SO achieved impressive results in the adoption of key policy reforms, e.g., in decentralized water management, and in promotion of the "polluter pays" principle. Additionally, good progress was achieved in enhancing the participation of non-governmental partners in controlling erosion, improving sewerage systems and separating tannery effluents. This SO also made impressive progress in negotiating a clear, future strategic direction, one that will enable the Mission to make major contributions to the Government's renewed decentralization initiatives.

SO3: Expanded Base of Stakeholders in the Economy, Targeting People of Below-median Income

Progress during 1998 was good, with results mostly surpassing targets. The SO achieved encouraging progress on reform initiatives, the most important of which was the commencement of tomato exports to the U.S. This achievement is the product of five years of preparatory work and provided hundreds of seasonal jobs in depressed areas of the south. The SO considerably exceeded targets for both agricultural exports (by 82 percent; \$19 million USAID-facilitated horticultural exports) and jobs (by 40 percent; 17,400 person years of employment) created and attributable to USAID. In 1998, microfinance literally took off. The USAID-created institution, Al Amana, added 24 new branch offices to the three opened in 1997, and hired 64 new credit agents. It approved 9,150 loans totaling \$2.25 million, with half of these loans to women. Overall, the activities of this SO continue to provide much-publicized models for expanding commerce and productive investment in small and micro businesses.

SpO4: Increased Attainment of Basic Education Among Girls in Selected Rural Pilot Schools Using a Replicable Model

This SpO achieved considerable progress in FY98. With the first full year of implementation for the Morocco Education for Girls activity, the SpO broadened its focus from school level interventions to a set of interventions at the school, the provincial delegation, local communities, and civil society levels with

the addition of two new activities. The SpO achieved significant progress in teacher training and community level activities, including activating parent associations and laying the groundwork for increased private sector involvement in basic education. It upgraded and increased the efficiency in the all important data collection and analysis system. In the policy reform area, the SpO achieved excellent results on some issues and more moderate success on others. This SpO, likewise has achieved a clearer consensus on future strategic direction, with an emphasis on redirecting the geographic focus to contribute to greater synergy in the mission's program.

D. Prospects for Progress

The appointment of the new government raised high expectations among the population, which invested enormous hopes in the new team. Its aspiration to more social justice must materialize into tangible benefits for all. This “last-chance” government must succeed, because “[s]hould public expectations be frustrated, the possibility of widespread popular unrest, destabilization, or political crackdown and regression cannot be ruled out.”¹ Such a scenario would certainly have negative repercussions on the entire region and underlines the necessity to support this government's efforts and preserve the U.S. interests in the region.

Fortunately, the new government is likely to speed-up the reform process in 1999. Indeed, by the end of 1998, the government made public its priority reform agenda, which included several USAID/Morocco supported initiatives and which portends to favorable development during 1999. Further, several measures aimed at improving the general framework for business development were adopted by the ministers’ council (chaired by the King) in early March 1999, including the long-awaited pricing and competition law, the custom code and creation of an investment promotion agency. These draft laws along with several other reforms in the pipeline, and the acceleration of the decentralization process, will probably yield a positive impact on the progress in achieving USAID/Morocco’s targets in 2001.

Prospects for progress are further enhanced by the recent appointment of key administration officials at the secretary general and office director levels. As the Mission begins to develop relationships with these newcomers, we expect to see increased forward movement on key programs.

¹ Guilain Denoeux (Colby College, ME), *Democracy and Governance Assessment*, August 1998, page 96.

PART II: RESULTS REVIEW

SO1: Reduced fertility and improved health of children under 5 and women of child-bearing age

A. Summary

To achieve SO1, USAID efforts help to ensure that the Ministry of Health (MOH) has reasonable institutional capacity with a comprehensive public health infrastructure and strong technical capability to implement FP/MCH services, within the context of a broader program of reproductive and child health. SO1 comprises one of the strategic goals of the Administration's for International Affairs Strategic Plan (IASP) and the U.S. Embassy's Mission Performance Plan (MPP), namely "achieve a sustainable world population."

SO1's performance has met expectations overall in FY98 with a solid focus on sustainability, in keeping with phase-out objectives. The year has been typified by high-paced implementation across the SO as USAID and our partners work to consolidate gains and complete activities planned under the current bilateral agreement. The intense level of activity has been directed towards our intermediary beneficiaries, especially health care workers, as well as our ultimate customers, women and children.

The attention of the SO team was also directed to the future with major steps taken to determine USAID assistance in the health sector in the context of the new Country Strategic Plan (CSP) for the years 1999 – 2005. Assuring a smooth transition between SO1 and the new SpO7 is a priority and, as a result, certain programmatic adjustments have been made, such as extending the bilateral agreement and the institutional contractor for one year.

B. Key Results

Some of SO1's most important results during 1998 are detailed in the following table:

Summary of SO1's Key Results for 1998
<ul style="list-style-type: none">• GOM committed more than \$2.3 million for contraceptives, exceeding targets• All sustainability policy reform targets met or exceeded• Met need for Emergency Obstetric Care increased by over 40 percent, exceeding targets• Long-term contraceptive use increased for the first time in three years• Contraceptives sold through the social marketing program increased by 23% percent• National deconcentration efforts launched - quality assurance introduced in eight regions and pilot projects operational in five• 3,450 health care workers, over 50 percent of whom were women, received training in a range of topics covered by the SO• MOH launched its first-ever work with local NGOs to increase community participation in health

C. Performance and Prospects

Overall performance is on-track. The SO achieved significant progress in certain key activities. These achievements directly contribute to overall U.S. Embassy and Mission objectives and key indicators. Highlights include:

IR 1 - Greater access to quality FP/MCH services responsive to client demand

- *Integrated Management of Childhood Illnesses (IMCI)* - Morocco is now recognized as a leader in the Middle East and North Africa, having in place all the elements necessary to complete the pilot and easily expand it nationwide. Locally appropriate modules are finalized and facilitators trained, all with the WHO seal of approval. IEC materials are near completion. Innovative community participation activities have been launched.
- *Emergency Obstetric Care* - This year the activity became fully operational with \$1.5 million of equipment

distributed to 52 sites with trained personnel. Not only have beneficiary-level targets been exceeded, but other donor interest is acute, with both the EU and UNFPA working with the MOH on nationwide introduction.

IR 2 - Improved policy environment supporting expansion and sustainability of FP/MCH services

- *Contraceptive Phase-Over* - Significant progress has been achieved as evidenced by the public commitment made by the MOH to procure contraceptives and the positioning of the family planning program as a national priority. Morocco again exceeded host-country contribution targets for national procurement of contraceptives. A number of studies contributed to this achievement, including a market segmentation study, a family planning cost-benefit analysis and an options analysis for MOH contraceptive procurement. These analyses served as the basis for a seminal meeting, “Strategies for the Consolidation of Reproductive Health Programs – Family Planning.” Consensus was achieved among a high-level group with representatives from various departments of the MOH, the Ministry of Finance, NGOs, private sector and other donors on steps to be taken to assure long-term sustainability.

IR 3 - Reinforced capacity to manage FP/MCH programs with a particular emphasis on decentralized approaches responsive to client need

- *Deconcentrated management* – The MOH took the lead among GOM ministries in implementing regional management, with USAID assistance. Public health officials from five regions had their first experiences working as teams, conducting regional assessments based on locally available data, and designing and implementing projects. Quality management techniques contributed directly to this process. Assistance to improve sustainability of continuing education by placing control at the local level also dovetails with regionalization. Expertise was provided to present worldwide experiences in decentralization to MOH decision-makers.
- *IEC* – The IEC division continued to develop as a critical resource for the MOH in its efforts to achieve sustainability. The SO carried out a wide range of activities in IEC. These included: production of a film on maternal mortality; the development of innovative teaching materials for itinerant nurses and other community workers; qualitative research on subjects such as the male role in family planning decision making; and training of MOH cadres in communication techniques. The resident advisor for IEC departed Morocco in August. The IEC division is continuing its high quality work independently.

As noted above, there were important success stories in FY98. The SO team has concerns, however, about several areas of implementation given initial plans to end most activities under the bilateral by June 1999. In a number of areas, performance is now excellent. However, due to delays in previous years and overly ambitious time-lines, activities will not be completed within the original time frame. This is particularly true for activities related to the introduction of IMCI, basic quality management techniques, certain pre-service training modules and new health information system modules. The SO team has determined that an additional year of implementation would allow these activities to be institutionalized to a level sufficient to ensure continuation independent of USAID assistance. Additional time is also required to track progress on contraceptive financing and procurement.

There are also two areas in which, despite notable efforts, performance is not meeting expectations. These are increasing the proportion of clients using long-term contraceptive methods and diversifying the resource base by increasing access to the private sector. These are long-standing weaknesses of the Morocco program whose success has been built upon free public-sector distribution of oral contraceptives. Trends indicate that interventions undertaken to improve these areas are having a modest effect but not achieving anticipated targets. Based on CYP, IUD use seems to be plateauing at 28 percent, and VSC has fallen to 3 percent. Injectable use appears promising, as it becomes more widely available.

The acceptability of long-term methods also hampers diversification in the private sector. Although the private sector accounts for 41 percent of all pill use, it covers only 10 percent of long-term methods. A recent evaluation of

USAID's work to improve supply in the private sector by training general practitioners (GPs) in long-term methods, revealed a problem related to demand because clients often are unaware that these services are available and GPs have impediments to marketing their skills. One significant, bright light in FY98, however, has been an opening towards the private non-profit sector. USAID and the MOH have been working on a number of models to improve community participation in collaboration with local NGOs. These models show potential as an important means to improve rural health outcomes. This partnership represents a significant policy shift for Morocco and also provides local level managers with new resources and opportunities.

D. Possible Adjustment to Plans

The SO team has developed a strategy for USAID assistance to the health sector for the year 1999 – 2004.² The strategy, Special Objective 7 (SpO7), based on the experience and achievements of current PHN sector work, focuses on those key program elements deemed most critical for the sustainability of the national reproductive and child health program. The strategy calls for developing a model of deconcentrated management at the regional level in two pilot regions and assuring that the private sector provides a viable alternative to public sector provision of preventive health services. This approach is intended to provide new tools to address key barriers to sustainability by improving the management capacity of local-level players and assuring that a range of partners both inside and outside the GOM all play a role. The strategy capitalizes on important opportunities that have opened in the policy arena as a result of the GOM's priority focus on decentralization and social equity. Significant shifts in the policy environment are also evident as the MOH recognizes the need for health sector reform.

In addition, the SO team has decided, with the concurrence of the MOH and senior Mission management, to extend the SO1 bilateral agreement and the term of the current institutional contract for one year. The objective of this extension is to complete the key activities mentioned above and facilitate the transition to new implementation mechanisms through the G/PHN projects that will implement SpO7. This extension is possible within the current resources of SO1.

E. Other Donor Programs

The SO team continues to collaborate with other donors active in the health sector, working to assure a smooth transition to the post-bilateral phase of assistance. The EU and UNFPA are our closest partners as we share mutual priorities in reproductive health and decentralization. In a number of instances, we are co-funding activities. New areas of donor assistance include the participation of UNICEF in IMCI and WHO in Quality Management. The World Bank and the EU are also in the final stages of negotiations of large health sector reform/health financing projects that will make a significant contribution to program sustainability.

F. Major Contractors and Grantees

In FY98, JSI continued to serve as the institutional contractor, with subcontracts to Johns Hopkins Center for Development Communications for IEC work and to University Research Corporation for the introduction to quality management. Key global bureau projects include, BASICS, the Policy Project, PHR, PRIME, JHPIEGO, FPMD, the Evaluation Project, OMNI, TAACS and Population Leadership Program.

²The new CSP timeframe is 1999-2005; however SpO7 is scheduled to end during 2004.

G. SO1 Performance Data Tables

OBJECTIVE 1: Reduced fertility and improved health of children less than 5 and women of child-bearing age. APPROVED: 2 JULY 1993 COUNTRY/ORGANIZATION: Morocco/USAID			
INTERMEDIATE RESULT: 1.1 Greater access to quality FP/MCH services responsive to client demand			
INDICATOR: 1.1.1 Percent of Couple Years of Protection (CYP) from use of long-term (LT) methods in the public sector.			
UNIT OF MEASURE: LT methods include VSC, IUDs, injectables and Norplant. SOURCE: MOH Service Statistics (SNISSTAT) based on facility reports of commodities distributed. INDICATOR DESCRIPTION: Total CYP from LT methods is the numerator, overall public sector CYP is the denominator. All years reflect USAID 1997 conversion factors: IUDs = 3.5 CYPs; 15 cycles pills=1 CYP, 120 condoms = 1CYP, VSC = 8 CYPs; Norplant = 3.5 CYPs; 4 injectables (depo) = 1 CYP. Data is for Fiscal Year. This year, SO1 supported new procedures for data collection, entry and analysis to improve data quality. Prior to 1997, CYP was calculated based on client visits instead of the standard "commodities distributed." Also in previous years, figures for the final quarter of the year were estimated based on extrapolation with previous year CYP figures revised after the R4 reporting period. The 1998 CYP figure is now based on commodities distributed for the period, and on a full four quarters of actual data. Nonetheless, the raw data for 1998 has not yet been cleaned, and the 1998 actual figure will be subject to revision upon further review. Note that the 1997 actual has also been adjusted, resulting in a change in performance from 36% to 33%. INDICATOR DATA QUALITY: Moderate COMMENTS: This indicator reveals an overall lack of progress in increasing the proportion of users of long-term contraceptive methods, although the trend shows some improvement and, as shown in the table below, there appears to be a surge in overall CYPs provided through the public sector in 1998. Morocco's high prevalence rates are based for the most part on use of oral contraceptives (OCs). This long-standing feature of the Morocco FP program is largely attributed to a strong provider bias for OCs as well as client concerns about other methods. The introduction of injectables is now showing results, which contributed to the increase in overall CYP. This growth in use of injectables is expected to increase the proportion of users of longer term methods in the future, although it is very unlikely that the target of 45% in 1999 will be met. Increasing the proportion of clients who choose longer-term methods is a priority for the MOH as well as USAID, reflecting concerns about quality of care as well as cost/effectiveness of the national program. In the new Special Objective, USAID plans to address this issue by supporting stronger programs at the local level, by working on acceptability issues, and by increased promotion of long-term methods in the commercial sector. Public Sector CYP trends: 94 886,138 95 871,992 96 858,563 97 824,949 98 1,021,615	YEAR	PLANNED	ACTUAL
	1992	--	28%
	1993	--	34%
	1994	--	42%
	1995	--	38%
	1996	--	37%
	1997	41%	33%
	1998	43%	36%
	1999	45%	
	Discontinue		

OBJECTIVE 1: Reduced fertility and improved health of children under 5 and women of child-bearing age.			
APPROVED: 2 JULY 1993 COUNTRY/ORGANIZATION: Morocco/USAID			
INTERMEDIATE RESULT: 1.1 Greater access to quality FP/MCH services responsive to client demand			
INDICATOR: 1.1.3 Met need for emergency obstetrical care in target areas.			
<p>UNIT OF MEASURE: Proportion of women estimated to have complications directly related to the pregnancy, that are managed in facilities where emergency obstetrical care is available.</p> <p>SOURCE: Record review and data collection system established in pilot facilities.</p> <p>INDICATOR DESCRIPTION: Information on women receiving treatment for obstetrical emergencies recorded in facilities participating in pilot project. The estimate of the number of women in need of emergency obstetrical care is obtained by applying an international recommendation (15 %) to the estimated number of live births in the project areas. The figure reported for 1998 is based on <u>calendar year 1998</u> (rather than fiscal year) due to data collection constraints that will be corrected in 1999.</p> <p>INDICATOR DATA QUALITY: High</p> <p>COMMENTS: The Safe Motherhood pilot project is being conducted in 2 regions with a total estimated population of over 3 million and approximately 75,000 expected births. This indicator gauges the proportion of estimated need for emergency obstetrical care met through 52 pilot facilities. The 1996 baseline was established through a retrospective record review of existing data within project facilities. In 1998, a project-developed data collection format was instituted to provide more detailed and uniform information on complications treated. As anticipated in last year's R4, improved data quality enabled USAID to correct the 1996 baseline and 1997 figures.</p> <p>1998 performance exceeded targets. Implementation of the EOC pilot project is proceeding as planned and is being enthusiastically adopted by providers. Promotion efforts at the community level to begin in 1999 are expected to also improve health facility utilization. The pilot will be evaluated this spring by a team of international maternal health experts.</p> <p>It is also important to note that replication of this model is currently underway in other regions of Morocco with EU and UNFPA funding.</p>	YEAR	PLANNED	ACTUAL
	1996	--	32%
	1997	--	40%
	1998	51%	55%
	1999	61%	
	Discontinue/Phase-out		

OBJECTIVE 1: Reduced fertility and improved health of children under 5 and women of child-bearing age. APPROVED: 2 JULY 1993 COUNTRY/ORGANIZATION: Morocco/USAID			
INTERMEDIATE RESULT: 1.2 Improved policy environment supporting expansion and sustainability of FP/MCH services.			
INDICATOR: 1.2.2 Policies/regulations supportive of improved FP/MCH services: access, quality and sustainability.			
UNIT OF MEASURE: Percentage completion of 10 policy/regulatory reforms. SOURCE: PHR, JSI, MOH INDICATOR DESCRIPTION: Composite index of advancement in policy dialogue and implementation of measures both within the MOH and also in the wider policy arena, improving the provision of FP/MCH services. INDICATOR DATA QUALITY: Moderate COMMENTS: From 1995-97, six policy reform issues were tracked, so percentages for those years reflect progress in those six issues alone. In 1997, four new policy areas were added, so the percentage now reflects progress in all ten issues. Overall, policy reform is proceeding well and is ahead of targets. Highlights of the year include: <ul style="list-style-type: none"> • Host country contribution targets were exceeded, and \$2.3 million earmarked by GOM for contraceptives. • Marrakech conference on Strategies for Consolidation of Reproductive Health Programs with a focus on family planning held in September 1998. At the meeting, a high level, multi-sectoral group achieved consensus on major approaches to be adopted to assure the long-term sustainability of the FP program as well as the introduction of new important reproductive health initiatives. These recommendations are being incorporated into the GOM five-year plan. A public commitment was also made by representatives of the GOM to ensure the necessary budget for contraceptives. • The national policy of deconcentration to the regional level brought exciting opportunities for regional health managers to plan and manage their own programs. USAID supported activities in five pilot regions to help regional and provincial staff to form a productive team and to make careful management decisions based on data and implement small projects. In addition, USAID is working with the MOH to identify appropriate ways to share information and responsibility among the different levels of management - central, regional and provincial – while enabling local managers to assume new roles. New relations with elected officials at the local level also offer important opportunities for regional managers. • The MOH Directorate of Finance and Plan moved forward in preparing for a comprehensive National Health Accounts study that will enable them to track the flow of funds and expenses for health provision in Morocco, providing the basis for health financing reform. 	YEAR	PLANNED	ACTUAL
	1995		7% (of 6)
	1996	14%	14% (of 6)
	1997	30%	58% (of 6)
	1998	48%	55% (of 10)
	1999	77%	
A modified version of this indicator will be included in the SpO7 performance monitoring plans and reported in the next R4			

Policy Matrix Results

USAID/Morocco has determined that , generally, policy efforts pass through five, flexibly-defined steps, each of them weighted according to its importance in the process, for a total of 100% in the case of a policy measure fully implemented. These steps are the following:

Identification/analysis (10%), Formulation (10%), Validation/promotion (20%), Adoption (20%) and Implementation (40%).

Targets for policy achievements and actual achievements (in bold) under SO 1 are summarized in the following table:

Reforms	1997	1998	1999
Sustainability of FP/MCH Program			
MOH finances 100% of public sector contraceptive needs by the end of 1999	60 60	70 60	60
Administrative and customs costs reduced for contraceptives and vaccines	55 10	70 ³ 40	100
Financial sustainability: 1) Market Segmentation study and National Health Accounts (NHA) completed; 2) Strategy to increase the role of the private sector implemented	-- --	30 20	60
Regionalization/decentralization program in place with specific targets	--	40 40	60
Increased number of midwives trained and placed in government service	100 10	100 20	60
Regulatory framework related to the use of health personnel in the public and private sectors revised	10 10	30 20	60
Vaccine revolving fund fully functional; assistance to ensure sustainability	--	40 40	60
Reduced cost media time guaranteed for FP/MCH	80 60	100 100	100
Quality of FP/MCH Services			
Norms and standards for FP, EOC and IMCI elaborated, validated and disseminated	40 40	50 100	100
Maternal death audits required for all maternal deaths in public health facilities.	--	15 40	60
Total	345	545	
Average of all reforms	58	55	--
Anticipated Average	30	48	72

Note that each of the ten policy reform areas listed above is the subject of a separate, more detailed table, which is kept by the SO 1 team, to chart progress towards full implementation of the reform. A modified version of this indicator will be included in the SPO7 Performance Monitoring Plan and reported in the next R4.

³ This policy issue is related to two different commodities: vaccines and contraceptives. Exoneration/reduction of taxes and customs duties on vaccines was achieved in July 1997 (100% complete), taxes and customs duties on contraceptives are in the adoption stage (40%). Thus, an average of 70% achievement is used for the policy matrix.

OBJECTIVE 1: Reduced fertility and improved health of children under 5 and women of child-bearing age.

APPROVED: 2 JULY 1993 **COUNTRY/ORGANIZATION:** Morocco/USAID

INTERMEDIATE RESULT: 1.4 Increased diversification of resource base financing the delivery of FP/MCH services.

INDICATOR: 1.4.1. Total combined CYPs delivered by the commercial private sector as a proportion of all CYP delivered by public and private sectors.

UNIT OF MEASURE: The numerator is total commercial sector CYPs (including USAID/CSM CYPs). Contraceptive Social Marketing (CSM) and commercial sector data do not include CYPs from VSC or condoms. The denominator is CYPs from both the public and commercial private sectors.

SOURCE: CSM project data, data from pharmaceutical industry on private sector sales, and MOH service statistics.

INDICATOR DEFINITION: See unit of measure above. CYP data for 1998 is still preliminary.

INDICATOR DATA QUALITY: Moderate

COMMENTS: This indicator reflects the private sector's contribution to the national family planning program as a proportion of total provision of modern methods as a key step to sustainability. Although the commercial sector registered very impressive gains in total CYPs provided (see table below), it has not outpaced similar growth in the public sector. As a result, the commercial sector's share of the total has not progressed significantly over the Strategic Objective period, despite measures taken by both USAID and the MOH to foster private sector provision of family planning products and services.

Since the MOH provides totally free services and products to its clients, achievement of targets is extremely difficult with growth of the private sector entirely dependent upon an image of higher quality or more customer-oriented services and products. Nonetheless, the CSM program has achieved widespread, positive recognition of the Al Hilal mark, and oral contraceptive sales have increased 25%. Long-term methods, however, remain as problematic in the private sector as in the public sector. There are few private sector nurses and midwives. General practitioners (GPs) are not widely recognized as a source of reproductive health services. Thus, few women know that they can now obtain reliable, affordable services from these physicians and the rigid ethics of the medical organizations in Morocco currently impede promotion of these trained GPs as a source of family planning advice and services. The SO team is working closely to find creative solutions to overcome these barriers, but it is unlikely that the 1999 target, 44% of all CYPs provided by the private sector, will be met.

CYPs distributed through CSM:

94 97,389

95 109,192 (10.8% increase)

96 119,373 (8.5% increase)

97 135,705 (12.0% increase)

98 176,377 (23.1% increase)

This will be a key focus of the new Special Objective, with the CMS program expected to bring new expertise to this issue.

YEAR	PLANNED	ACTUAL
1994	--	28%
1995	--	29%
1996	--	31%
1997	--	33%
1998	39%	32%
1999	44%	

To be used as SPO7 indicator

SO2: Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors

A. Summary

SO2's work directly or indirectly supports several U.S. foreign policy interests as stated in the Administration's International Affairs Strategic Plan (IASP) and the U.S. Embassy/Rabat's MPP, especially (1) broad-based economic growth in developing and transitional economies, (2) secure a sustainable global environment, (3) achieve a sustainable world population, and (4) building sustainable democracies.

The purpose of SO2 is to promote the policies and institutions, technical practices, and participation that will improve quality and quantity of Morocco's water, and make potable water and sewerage available to more people. 1998 has been a year of implementation and transition planning. The Water Strategic Objective (SO) Team focused on the development of a new strategy, while at the same time continuing to nurture important results from the current Strategic Objective (SO2).

The new strategy builds directly upon the successes of the current strategy. New activities will be based on "best practices" developed in the current set of bilateral activities.⁴ These best practices include appropriate water sector technologies as well as participatory approaches to design, implementation, and management within a pragmatic institutional and policy framework. A major objective of the new strategy is to support the creation of the Souss-Massa River Basin Agency in a collaborative and participatory way to assure the active support of the key players in the water sector in the region. This is a prerequisite to the success of this far-reaching attempt to really apply "integrated water resources management" (IWRM) in Morocco. In addition, the progress of this program in Morocco is expected to have important lessons for other current or future water-deficit countries.

B. Key Results

Some of SO2's most important results during 1998 are:

Summary of SO2's Key Results for 1998	
<ul style="list-style-type: none">• 35 percent reduction of nitrate pollution in target areas• 33 million cubic meters of water saved annually in target areas• 1.8 metric tons of soil loss per hectare potentially averted in target areas• 24 cities with 2.72 million inhabitants with improved municipal environmental services• 30,500 poor households connected to water and sewerage systems• 11 key policy, regulatory and institutional reforms advanced ahead of schedule (including a progressive water pricing policy, polluter pays principle, and decentralized management in the water sector)• 30 environmental activities implemented with non-governmental partners, doubling our target level• 6000-plus farmers involved in participatory irrigation management	

⁴ Tadla Resources Management (TRM), Urban Environmental Services (UES) and the companion Urban Environmental Credit Program (UECP), and Water Resources Sustainability (WRS), as well as the joint program with the Global Bureau Environment Center's Joint Action Incentive Fund (JAIF) participatory wastewater treatment activity in Ouled Teima.

C. Performance and Prospects

SO2's performance is on-track, with major results achieved this year and more positive results expected next year. Five important targets were exceeded and another one met. Although some targets were not met in 1998, in no case are there underlying causes for concern. For instance, delays in the Fes chromium recycling facility construction, due to unavoidably complex tendering procedures, led to missed targets for pollution abatement (Indicator 2.1) and chromium recycling (Indicator 2.2.2). Targets should be achieved immediately when the plant is constructed and operational (now expected in June, 1999). Similarly, external circumstances beyond the control of the SO Team (the appearance of a new disease that dramatically reduced the area of paprika production) led to a slowing down of the projected expansion of Integrated Pest Management (IPM) in the Tadla perimeter and a missed target (Indicator 2.2.1).

In general, SO-level results were quite good, with significant reductions in nitrate pollution in the Tadla perimeter, soil erosion reduced in the Nakhla watershed, and an increase of about 120,000 poor, urban households connected to sewerage and potable water.

At the IR level, there was a significant increase in farmers adopting IPM practices in Tadla, tanners adopting chrome recycling technologies in Fes, irrigation water management technologies disseminated out from Tadla to other irrigation perimeters, and the number of farmers in viable water users associations.

However, the SO Team has decided to report in detail on only four indicators that capture the essence of the current SO and are important to the success of the new strategy focused on the Souss-Massa river basin. These represent a cross section of the SO – covering the agricultural, urban and industrial sectors – and are representative of intermediate results.

SO Indicator 2.2 – Volume of water savings in target areas

This year's results were very impressive, with target savings exceeded by more than 10 percent. Most of the water savings came about at the system, or main canal, level, due principally to improved real-time canal flow monitoring capability, computer irrigation programs and geographical information systems, agro-meteorological network data, and mobile flow monitoring devices – all developed by the TRM Activity. In addition, the groundwork for significant on-farm water savings was laid with the TRM-assisted creation of two private-sector firms to provide laser-level-basin services in the perimeter. Water savings are expected to nearly double this year with the culmination of the Talda project. Increases in the near future will be more modest, as current SO2 activities in agricultural water savings will not be replicated for two to three years.

SO Indicator 2.4 – Number of municipalities with improved wastewater treatment, garbage collection, landfill management, green spaces and recycling services

Services were improved in Driouch, Larache, Boujaad, Fes Medina, Khemisset and Ain Harrouda as a result of work carried out by ANHI and FEC under the UES activity and UEC Program. More than 500,000 residents of these cities benefited from these water quality improvements. Significant increases in the number of both municipalities (8) and households (500,000) occurred this year. Later increases will depend on priorities of local planners in the Souss-Massa region, and on the continued availability of credit subsidy under the UECP.

IR Indicator 2.1.1 – Progress toward adoption of 11 key reforms

Several elements of SO2's policy agenda were well ahead of schedule by the end of the reporting period. Policy

Advisor Peter Rogers gave a widely attended and acclaimed seminar on “water as an economic good” during the year. This, in part, led to an agreement by the Al-Amal water users association in Drarga, Souss-Massa, to increase water fees from 3 dirhams (Dh) per cubic meter (m³) to 4 Dh/m³ to partially cover the additional costs of managing the WRS-assisted wastewater treatment plant. The “polluter pays” principle and industrial norms and standards gained strength as a result of the signing of an agreement by the 16 tanners of Dokkarat, Fes, to undertake, at their own cost, the diversion of chromium effluents to a new recovery plant built by WRS and managed by the Fes public utility (RADEEF) to meet effluent discharge norms. In addition to the progress made in setting up the World Bank-supported Oum-er-Rbia River Basin Agency, work done in the joint USAID/Morocco – USAID/Washington JAIF Activity in Ouled Teima helped to move forward the concept of decentralized management in the water sector. The Municipality and the National Office of Potable Water (ONEP), along with federations of farmer and community associations, are moving in concert to jointly manage a wastewater treatment and reuse facility. Continued progress in policy reform is expected next year, notably in water quality standards and environmental impact assessment procedures. Policy reform will also be a primary focus of the new results package on river basin management.

IR Indicator 2.3.1 – Number of environmental activities implemented with non-governmental partners

Broadened public participation for environmental action was enhanced significantly through the active participation of non-governmental partners in work undertaken by the SO2 Team. For example, four village committees were established in the Nakhla watershed, which in turn, helped to manage the distribution and planting of olive trees to help control erosion. Eight community groups in Ouled Teima worked on construction of secondary and tertiary sewerage systems and two other associations worked on community green spaces. Engagement of diverse partners in environmental activities will continue for the foreseeable future, as “increased capacity for participation” is an IR of the new activity in the Souss-Massa.

D. Possible Adjustment to Plans

The SO Team has decided to close-out IR Indicator 2.2.1 – Number of farmers adopting integrated pest management (IPM) for targeted crops in irrigated perimeters, because of the reduction in paprika area due to disease, and because TRM has higher priorities in its last year of implementation. Next year will also be the last year for several other indicators, as TRM ends and other SO2 strategy period targets are met.

E. Other Donor Programs

The World Bank is a key donor in the water sector and USAID/Morocco continues to communicate with it on several fronts. USAID’s TRM Activity is seen as a pilot project for the Bank’s irrigation sector activities, and USAID’s Nakhla project in the Rif Mountains preceded a very similar intervention that the Bank is planning in the High Atlas (Lakhdar). Similarly, both the Bank and USAID are interested in the river basin agency concept and the Bank’s work in the Oum-er-Rbia and USAID’s work in the Souss-Massa complement one another. USAID’s work in the tannery sector in Fes is a necessary piece of the greater Fes sanitation rehabilitation and wastewater treatment facility construction project financed by the Bank and the Agence Française de Développement. The AFD has also become a financing partner of ANHI, focusing on land development and infrastructure.

F. Major Contractors and Grantees

Environmental Alternatives Unlimited (EAU), a partnership of ECODIT and Chemonics, is the institutional contractor for the WRS Activity, Chemonics is the institutional contractor for the TRM Activity, and Technical Support Services is the institutional contractor for the UES Activity.

G. SO2 Performance Data Tables

STRATEGIC OBJECTIVE 2: Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors APPROVED: 4/95 COUNTRY/ORGANIZATION: USAID/MOROCCO			
INTERMEDIATE RESULT 2.1: Improved Policy, Regulatory, and Institutional Framework			
INDICATOR 2.1.1: Progress towards adoption of 11 key reforms			
UNIT OF MEASURE: Percentage completion of 11 policy reforms SOURCE: USAID project reports (WRS, TRM, UES) INDICATOR DESCRIPTION: Composite Index (See COMMENTS) INDICATOR DATA QUALITY: Good COMMENTS: Based on progress toward implementation of 11 reforms supported by USAID activities, measured in terms of percentage achieved in five key phases (Identification/analysis – 10%; development - 10%; validation, promotion, training – 20%; adoption – 20%; implementation/enforcement - 40%). This policy indicator serves as the basis for the Mission's environmental policy agenda. This year's results were very impressive, with all 11 targets met or exceeded, making the overall average exceeded by 7%. In addition to successes described in the text, the following important achievements should be noted: - Progressive pricing: Even though there was no water price increase in the Tadla Perimeter during 1998, ORMVAT is in the final stage of the validation process for its new strategy, which includes a progressive water pricing policy to reflect real cost. - Decentralization of water management authorities: The appointment of the Director of the Oum-er-Rbia Basin Agency was approved this year, and there was a dialogue among involved ministries at the national level to define the attributions of this agency and to validate the strategy for developing new basin agencies in other regions. - Environmental impact assessment: Under UES, the "environmental checklist" and review methodology was improved and adopted by ANHI and FEC. Further, these review procedures have been institutionalized by the National Department of Urbanism, within the MATEUH. WRS finalized two environmental assessments (Drarga and Dokkarat) which were approved by USAID/W. Key mitigation measures were carried out. - Private sector involvement: Public/private partnerships have become the leading mechanisms for infrastructure development in Morocco. In Meknes, a tender was issued for the privatization of garbage collection. This has become a model for other municipalities to follow. - MOE as coordinator: A number of activities took place this year reinforcing the role of the Secretariat of State for the Environment as national environmental coordinator. These include an interministerial steering committee meeting, the signing of three cooperative agreements between the MOE and other project partners for the conduct of pilot projects, and the sponsorship of three study tours to the U.S. - Empowerment of water user associations: ORMVAT started the validation and implementation of a WUA plan for the progressive creation of WUAs and their involvement in the process of water allocation in the Tadla Irrigation Perimeter. - Sustainability of ANHI and FEC: As a result of technical assistance supplied under UES, ANHI has restructured both the central and regional offices, with increased marketing, GIS and MIS staff. FEC continues to make strides in internal controls, and managing credit and exchange rate risks. Results are compiled and synthesized annually by USAID. See "SO2 Policy Matrix Annex" (attached) for further details.	YEAR	PLANNED	ACTUAL
	1995	12%	12%
	1996	23%	23%
	1997	35%	37%
	1998	47%	54%
	1999	60%	
	2000	75%	

SO2 Policy Matrix Annex

Numbers in the columns indicate the **percentage estimate of completion** for each reform initiative. The reform process is comprised of five phases (with percentage weights shown): problem identification (10%), reform proposition (10%), public debate and validation (20%), adoption (20%), and implementation (40%). Anticipated and 1998 actual (**in bold**) policy achievements under SO2 are summarized in the following table:

Reforms	'95	'96	'97	'98	'99	'00	'01	'02
Water Demand Management								
Progressive pricing policy	0	10	30	55/35	45	65	85	90
Decentralized management	0	10	20	40/30	40	70	100	100
Water Supply Enhancement								
Environmental impact assessment	20	35	60	80/80	85	90	100	100
Private sector involvement	40	50	50	80/80	90	100	100	100
Water Quality Improvement								
Industrial effluent norms	0	0	20	20/20	40	55	70	85
Polluter-pays principle	0	10	20	40/20	40	55	70	85
Institutional Strengthening								
MOE coordinating ministry	0	10	20	40/40	40	70	100	100
Water users associations	10	20	45	50/40	60	70	100	100
ORMVA's efficiency	0	10	30	50/30	50	70	80	100
Sustainability of FEC	25	50	55	65/65	75	85	95	100
Sustainability of ANHI	35	45	55	75/75	90	100	100	100
TOTAL	130	250	405	595/515	655	830	1000	1060
Average of all reforms	12	23	37	54	-	-	-	-
Anticipated Average	12	23	35	47	60	75	91	96

54% of USAID's environmental (SO2) policy reform targets were achieved by the end of 1998, significantly exceeding expectations.

SO2 - Policy Reform Agenda

Definition of Policy Issues

SO2's policy agenda supports the principle of **Integrated Water Resources Management (IWRM)** -- to reconcile competing claims on limited supplies by efficiently managing the resource for human and environmental use, given the high natural variability of the weather and climate in Morocco. The principal components of IWRM include water demand management, water supply enhancement, water quality improvement and the strengthening of the principal institutions working in the sector.

Policy Emphasis 1: Water Demand Management

- Encourage **progressive pricing policies** to bring demand into balance with supply. A pricing structure for irrigation water reflecting actual costs is adopted on a progressive basis, with regularly scheduled increases over the next several years. Pricing for potable and reutilized wastewater reflects actual costs, and revenue from water charges supporting water system activities on a sustainable basis.
- Support the **decentralization of water management authority**. Implementing decrees for the devolution of water management authority to Watershed Agencies should be issued, as called for in the Water Law. The Ministry of Agriculture should reach agreement with the Ministry of Public Works regarding the clear allocation of roles and responsibilities of the Watershed Agencies and the irrigation authorities (ORMVAs) for those water sector functions that both parties may claim.

Policy Emphasis 2: Water Supply Enhancement

- Encourage the **use of environmental assessments prior to urban infrastructure investment**. ANHI and FEC should conduct environmental assessments prior to investment rather than rely on after-the-fact assessments. Relevant ANHI, FEC and selected municipality staff need to be trained in methods of urban project assessment, planning and design of environmental impact assessments, etc., to build adequate capacity to undertake the necessary environmental reviews for their projects.
- Encourage **private sector involvement in urban infrastructure service delivery**. Increased volume and efficiency of investment in infrastructure require the opening of most sectors to competition and private capital. Although the GOM has clearly stated its policy to encourage greater private provision of environmental infrastructure, the institutional and regulatory framework of promising, key municipal sectors --water distribution and solid waste disposal is still to be adapted to reflect this strategy.

Policy Emphasis 3: Water Quality Improvements

- Develop **targeted industrial effluent norms and standards**. The Ministry of Environment (MOE) should coordinate development and adoption of environmental norms and standards (by sector) by the Comité des Normes et Standards. Proposed norms and standards in the tannery and metal plating sectors need to be developed and tested.
- Support the **implementation of the polluter-pays principle**. The MOE should develop ways and means to implement the "polluter-pays principle", wherein polluting industries are fined at a

significant enough level to provide ample economic incentives for investments in pollution prevention and clean technologies.

Policy Emphasis 4: Institutional Strengthening

- Help assure the **acceptance of the Ministry of the Environment as a coordinating ministry in the sector**. Through the establishment of an Interministerial Steering Committee for the WRS activity, the MOE will coordinate work with local, regional, and national agencies on the three demonstration activities. As the MOE coordinates activities among agencies, and as new technologies are adopted and associated policies evolve, its credibility and stature will be enhanced within the government.
- Actively seek **the empowerment of water users associations (WUAs)**. Steps necessary to support the progressive transfer of irrigation system operations and maintenance responsibilities to the WUAs should be undertaken by the ORMVAs. Organizational issues and related training needs to be addressed, legislative and administrative issues concerning financial autonomy of the WUAs needs to be reviewed, assistance to manage the tertiary irrigation canal system must be provided to WUAs, and WUA participation on the ORMVA Board of Directors must be accepted.
- Enhance the **efficiency of irrigation authorities** through reduction in state subsidies, downsizing, and increasing their autonomy. This re-engineering process will permit the authorities to effectively respond to the on-going liberalization program of the irrigated agriculture sector in Morocco. ORMVAs should be able to generate (through water fees) enough funds to support their personnel and to finance the on-going rehabilitation program of the irrigated perimeters. ORMVAs will then become strong regional institutions controlled partially by representatives from WUAs.
- Enhance the **sustainability of ANHI and FEC**. These two organizations should contribute to improve shelter conditions and to increase the capability of municipalities to provide shelter-related infrastructure and environmental services, in particular improved liquid and solid waste management, on a more sustainable basis. For ANHI, the institutional goal is to assist it to restructure its organization and finances to enable it to maintain quality and productivity in the face of changing conditions. For the FEC, the institutional goal is to adapt the institution to its new role as a bank, rather than public parastatal, reducing government protection and increasing the competitiveness of its products and its clients, municipalities, in the financial markets. Through an improved municipal credit program, FEC will help establish implement and monitor environmental planning norms and procedures for construction by municipalities or urban environmental infrastructure and community facilities.

STRATEGIC OBJECTIVE 2: Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors			
APPROVED: 4/95		COUNTRY/ORGANIZATION: USAID/MOROCCO	
INDICATOR 2.4: Number of municipalities with improved wastewater treatment, garbage collection, landfill management, greenspaces and recycling services			
UNIT OF MEASURE: Number/population (cumulative) SOURCE: Urban Environmental Services (UES), Urban Environmental Credit (HG 004) and Contractor (TSS) reports. Also evaluation and monitoring site visits. INDICATOR DESCRIPTION: See COMMENTS INDICATOR DATA QUALITY: Very high We are focusing on municipalities with improved environmental services that benefit directly from the UES Activity and the Urban Environmental Credit Program (UECP) (formerly Housing Guaranty). Examples of how environmental services contribute to improved water resources management include: greenspaces located in natural drainage channels will decrease flooding risk and enhance rainfall infiltration; landfills will be controlled and pollution of groundwater by liquid contaminant leachates prevented. COMMENTS: Each municipality is counted only once even though several environmental service improvements may take place within the same municipality. Only those activities that have produced results in improving environmental services are counted. FEC-funded projects that improve environmental services are also included. These are loans made to municipalities that are part of the UECP pipeline in the project implementation plan. The project paper envisioned that FEC would work in ten municipalities, using the \$20 million of the UECP resource. These municipalities, in most cases, also benefit from TA under the UES project. With the establishment of the first project implementation plan of the FEC/UECP component (January 1996), the average cost of projects financed under the program was less than expected, and therefore the number of municipalities to be served increased. The targets for 1998 and 1999 were revised upward in 1997. 1995: Tetouan (250,000 pop.); Meknes (350,000). 1996: Sefrou (65,000); Azrou (45,000); Fes Zougha (290,000). 1997: Guelmim (85,000); Sidi Jabeur (5,800); Tanger Makada (165,000); Sidi Bennour (37,500); Sale Hssaine (78,000); Khouribga (158,000); Ouled Teima (63,000); Sidi Driss al Qadi/Oujda (100,000); Sidi Ziane/Oujda (160,000); Saknia/Kenitra (162,000);Tikiouine (30,000); Settat (106,000); Bouznika (25,400). 1998: Driouch (8,600); Larache (98,000); Boujaad (34,700); Fes Medina (275,000); Khemisset (93,500); Ain Harrouda (32,500). N.B. A correction was made in the 1997 actual figure when two distinct municipalities in Oujda were previously wrongly counted as one. Also, three municipalities were added which improved their urban environmental services through the FEC program, including garbage collection by purchasing new equipment and improving truck routing.	YEAR	PLANNED	ACTUAL
	1994 Baseline	2/600,000	2/600,000
	1995	2/600,000	2/600,000
	1996	4/900,000	5/1,000,000
	1997	7/1,200,000	14/1,950,000 actual revised 18/2,175,700
	1998	22/2,250,000	24/2,718,000
	1999	30/2,750,000	

SO3: Expanded Base of Stakeholders in the Economy, Targeting People of Below-median Income

A. Summary

SO3 combines Economic Growth (EG) and Environment and Urban Programs (EUP) activities. The SO fits one of the seven goals of the Administration's for International Affairs Strategic Plan (IASP): the encouragement of broad-based economic growth and agricultural development. Implementation activities respond to two of the IASP's 16 strategies: to open foreign markets to free the flow of goods, services and capital; and to promote broad-based growth in developing and transitioning economies. The SO team promotes 15 policy reform initiatives, diversification of agricultural exports, capacity enhancement of several private and public sector institutions, creation and expansion of small and microenterprise, and access to finance for small and microentrepreneurs and potential homeowners.

Activities remained essentially on track and most of our targets were surpassed. The USAID program tangibly broadened the base of stakeholders and the SO team counts several notable accomplishments among 1998 results. Economic growth and urban program activities job figures exceeded our target by 40 percent, which we attribute to higher agricultural exports than anticipated. Progress on reform initiatives was encouraging -- slow but steady. Agricultural exports attributable to USAID assistance surpassed our 1998 target by 82 percent. Support for small and microenterprises generated millions of dollars in investment and revenues. Overall, USAID activities continued to provide much-publicized models for expanding commerce and productive investment in small and very small businesses.

B. Key Results

Some of SO3's most important results during 1998 are detailed in the following table:

Summary of SO3's Key Results for 1998
SO Indicators: <ul style="list-style-type: none">• 17,400 person-years of employment (40 percent over target)• 17,400 new home-owning families
IR 3.1: Improved Policy and Regulatory Environment <ul style="list-style-type: none">• Tomato exports to U.S. begun, following 5 years of effort and APHIS approval• Microfinance and mortgage securities laws passed by both houses of Parliament• Ag Intellectual Property Rights legislation implementation begun• Business policy information unit created
IR 3.2: Creation and Expansion of Small and Microenterprises <ul style="list-style-type: none">• 24 new microfinance offices (total of 27 at end of 1998)• 9150 loans to microentrepreneurs (vs. 1880 made in 1997), 50 percent over target• 50% of loans went to women (vs. target of 30%)• \$11.3 million in first-year revenues for USAID-assisted small businesses
IR 3.3: Increased Access to Housing for Below-Median Income Households <ul style="list-style-type: none">• 4,600 housing lots developed for sale to below-median income families
IR 3.4: Improved Competitiveness of USAID-assisted Firms <ul style="list-style-type: none">• \$19 million USAID-facilitated horticultural exports (vs. target of \$10.5 million)• \$97 million cumulative diversified ag exports (1992-98)• 46 new horticultural products introduced (cumulative 1992-98)• 30 more firms adopted new U.S. technologies (total of 185 from 1992-96/1998)

C. Performance and Prospects

Progress during 1998 was good. Results mostly surpassed targets. At the SO level, the generation of almost 17,500 person years of employment is perhaps the team's most impressive result, exceeding the 1998 target of 12,900. Most of this employment benefited below-median income earners. 45 percent of the jobs went to women in the agricultural sector. The cumulative jobs figure for the period 1993-98 is an impressive 106,500.

IR 3.1 - Improved policy and regulatory environment

Among the SO team's policy reform initiatives, several achievements stand out. Perhaps most important is the commencement of Moroccan tomato exports to the U.S., rewarding five years of work and providing hundreds of jobs in depressed geographic areas of the south. Second, the full adoption of food safety standards and enforcement by the Agricultural Export Control Authority makes food safer for Moroccans and Moroccan products more competitive in export markets. Third, the passage of the microfinance law by both houses of parliament ensures the expansion of access to credit for microentrepreneurs and the passage of the mortgage securities legislation will substantially increase housing finance resources.

The election and installation of a new government in February 1998 consumed much time and energy. The new government brought significant changes to ministerial configuration, new personnel, reexamination of policy priorities, new procedures, and a general settling-in period that slowed reform efforts across the board. Early on, the new team proclaimed its support for economic reform and vowed to accelerate the pace. Nonetheless, the government took several months to organize itself. Once the leadership and new ministries were in place, however, reforms began to move again. In September and then via formal government-wide notice in mid-November, a priority reform agenda and action plan were made public. All of EG's initiatives were included. A flurry of activity late in the year devoted substantial attention to several of the EG-supported reforms. Though overall progress was substantial, EG's estimated percentage of achievement of 86 percent is slightly below our 1998 target percentage of 87 percent.

Ten of the 15 EG policy initiatives are on schedule, compared to 8 of 15 reported on schedule in the 1997 R4, and four are considered fully achieved. As noted, most important among these were the initiation of red tomato exports to the U.S., the full adoption of uniform food safety standards, and approval of the microfinance and mortgage securities laws. Moreover, the economic association law will be reviewed by parliament in the Spring 1999 session, the competition law is receiving priority attention, the plant variety intellectual property rights legislation is already being implemented (e.g., the computerization of the national plant registry), and the reduced truck transport surcharge continues to save transporters an estimated \$1 million annually.

SO3 reform initiatives aimed at removing obstacles to business development show the least progress. Ironically, they were slowed in part by the launching of an Investors Roadmap analysis, whose results are expected to inform the elaboration of an official guide for enterprise creation and a one-stop business registration center to speed the process. These were also the most affected by ministerial changes. However, the reform process has now regained substantial momentum and the prospects for real progress over the near term are excellent.

IR 3.2 - Creation and expansion of small and microenterprises

Microfinance took off in 1998. The USAID-created institution, Al Amana, added 24 new branch offices to the three opened in 1997 and hired 64 new credit agents. It approved 9,150 loans totaling \$2.25 million -- figures which exceeded the 1998 targets by 150 percent. Half of the loans went to women, which surpassed the 30 percent overall project target.

Results for small enterprise have been excellent. An impact assessment revealed that \$1 million devoted to small business support services from February 1996 to March 1998 helped to generate investments of \$8.8 million, create 74 new businesses with 627 new jobs, and produce \$11.3 million in first-year revenues.

With the exception of the working capital loan guarantee program, all institutional development activities in support of enterprise development have met or exceeded expectations. The working capital loan program was caught in a dispute between the Central Bank and the Ministry of Finance regarding commissions and disbursements, but the final details were worked out late in CY 1998. The program now seems to be back on track and lending should get underway early in 1999. The microfinance program continues to provide the model for institutions in Morocco, will open 8-10 more offices, and commence operations in the south in 1999.

IR 3.3 - Increased access to housing for below-median income households

Results for increasing housing for below-median-income households fell short of our 1998 target. This is attributed to disruption in the National Shelter Improvement Agency's management ranks and a shifting market demand. The agency is thus concentrating on properly executing activities already in the pipeline, further refinement of a strategy attuned to market trends, and consolidating personnel changes intended to improve agency management. In spite of the disappointing performance in 1998, we remain convinced that 12,000 serviced lots per year is an attainable objective and have retained this number as the Mission target.

IR 3.4 - Improved competitiveness of USAID-assisted firms which generate employment for below-median-income people

Exports of horticultural products to non-traditional markets facilitated by USAID in 1998 far surpassed annual and cumulative targets. \$19 million of exports exceeded the target of \$10.5 million and the cumulative seven-year total of diversified agricultural exports reached \$97 million, versus our anticipated target of \$87 million. The total is very likely higher yet. Because the agribusiness project technical assistance contract ended June 30, 1998, we have not been able to adequately track all results. Thus, the export figures do not include tomato exports to the U.S. that began in December after final approval by the USDA. Though USAID support for transactional activities promoting agribusiness development will not be carried over into the 1999-2005 country strategy, the solid achievements of the project -- market diversification, increase in horticultural exports, enhanced capacity of several public and private sector institutions -- are expected to be sustained.

D. Possible Adjustments to Plans

The portfolio of activities will change somewhat under the new Country Strategic Plan, but the emphasis will remain essentially the same. Future assistance will be concentrated on making the investment

environment more attractive. The primary focus will be on reducing administrative obstacles to investment. Promoting increased transparency and good governance will help address corruption. Promoting speedier commercial dispute resolution through the judicial systems and alternative means will increase investor confidence. A complementary element of the program will support increased access to finance for small and microentrepreneurs. Support for agribusiness will be entirely phased out.

Under the new strategy, the method by which we assess progress of the reform initiatives will be reconsidered. Under the current method, a weight of 40 percent is accorded to reform implementation. Experience with the policy matrix over the past three years has demonstrated that this weighting does not adequately represent progress achieved. For example, once consensus has been reached on the problem and the solution, adoption generally follows. Implementation of solutions often begins even before legislation is passed and before implementation decrees are published in the official bulletins, a lengthy process. This is especially true if only executive, rather than legislative, action is required. Moreover, we have concluded that USAID and other donors have less direct influence on parliamentary decisions or other government mechanisms involved in the legislative process. Current percentage weights (seen in the accompanying tables) are retained in this R4. In the new country strategy and in the 1999 R4, weights assigned to Phases I-III will be reexamined.

E. Other Donor Programs

The World Bank is the major donor for economic growth. Among its portfolio of some \$550 million for various projects, it provides \$250 million to promote macroeconomic policy reform and \$100 million to support structural adjustment. The European Union program approaches ECU 450 million. ECU 275 targets economic growth, of which ECU 120 million supports structural adjustment. ECU 145 million supports various activities to help make Morocco's economy and companies more competitive, the objective being to meet the challenge of zero tariffs which, under the terms of a Morocco-EU accord, will kick in progressively in the years up to 2010. USAID's program, unlike those of the Bank and the EU, targets microeconomic and ancillary reforms and institutions that affect business, in general, and small and microenterprise, in particular. For microenterprise, the UNDP provides a small fund under its multi-country MICROSTART program. USAID activities complement and support those of our donor partners.

F. Major Contractor and Grantees

Chemonics International Consulting is prime contractor under the New Enterprise Development project. The contract is scheduled to end June 30, 1999 but the Mission plans to extend the performance period by 12 months at no additional cost.

Under the Morocco Agribusiness Promotion (MAP) project, Development Alternatives, Inc. and the University of Minnesota were major contractors and the U.S. Department of Agriculture furnished services under a Participating Agency Services Agreement. These three instruments ended June 30, 1998.

Volunteers in Technical Assistance (VITA) is the institutional contractor under the Microenterprise Finance Activity. The contract period ends April 19, 2001.

G. SO3 Performance Data Tables

STRATEGIC OBJECTIVE 3: Expanded Base of Stakeholders in the Economy, Targeting People of Below-median Income APPROVED: 4/95 COUNTRY/ORGANIZATION: USAID/Morocco			
INDICATOR 3.1: Jobs created through program activities for below-median-income people			
UNIT OF MEASURE: Person-years of employment for target group SOURCE: USAID project reports (MAP, NED, MFA, UES, AIM) , HG and ANHI records INDICATOR DESCRIPTION: both annual (A) and cumulative (C) figures. INDICATOR DATA QUALITY: Good COMMENTS: Because of their nature, much, if not all, of the work generated through SO3's activities is in the form of seasonal agricultural or home-building tasks. Therefore, we consider that "person-years," which is an aggregate of the estimate number of months of work, is a more adequate indicator than simply "jobs." Employment estimates for export promotion activities (only the MAP project for 1998) are calculated via commodity-specific models with coefficients based on survey data. A "ground-truther" is 200 person-years of employment generated by each \$1 million of exports. (Compare this to the U.S. figure of 20 jobs generated for each \$1 million of U.S. exports.) Microenterprise (MFA) and SME (NED) employment forecasts are derived by applying tested formulas derived from impact surveys and estimated growth in their respective loan programs. With the departure of the MAP technical assistance team in June, tracking export promotion-generated employment effectively ceased. Thus, the MAP jobs estimate is based on doubling the employment number provided for the period January-June. With the initiation of tomato exports to the U.S. in late 1998, we believe the true figure is likely higher. The non-HG employment (from MAP, NED, MFA) generation of 5,869 person-years of employment in 1998 surpassed the non-HG target of 2,917 by more than 100%. This is explained in part by our conservative estimate based on the ending of the AIM and MAP projects. For the number of "person-years" generated by the Housing Guaranty program, we assume 15 days work generated for each m ² of land developed and 300 work-days per year. Calculated on the basis of actual delivery of serviced lots used as justification for different disbursements (in \$millions) of HG-003 and HG-004 to ANHI as reimbursement for expenditures. This indicator will not be retained in the new Morocco country strategy and will thus not appear in the 2002 R4.	YEAR	PLANNED	ACTUAL
	1993 Baseline		26,572 (A) 27,101 (C)
	1994		20,531 (A) 47,632 (C)
	1995		19,308 (A) 66,940 (C)
	1996	19,226 (A) 76,350 (C)	9,604 (A) 76,544 (C)
	1997	14,939 (A) 93,986 (C)	12,494 (A) 89,038 (C)
	1998	12,917 (A) 106,903 (C)	17,419 (A) 106,457 (C)
	1999	Indicator to be dropped from 2002 R4	

STRATEGIC OBJECTIVE 3: Expanded Base of Stakeholders in the Economy, Targeting People of Below- median Income APPROVED: 4/95			
COUNTRY/ORGANIZATION: USAID/Morocco			
INTERMEDIATE RESULT 3.1: Improved policy and regulatory environment			
INDICATOR 3.1.1: Progress towards adoption of 15 key reforms			
UNIT OF MEASURE: Percentage completion of 15 policy reforms SOURCE: USAID project reports (NED, MAP, MFA, UES) INDICATOR DESCRIPTION: See background, below. INDICATOR DATA QUALITY: Moderate <p>The SO3 policy matrix (seen at the annex, below) was created by the Economic Growth team in 1995 to facilitate better reporting on reform achievements. Other USAID/Morocco SO teams, and indeed some other missions, have adopted the EG team's reform matrix model.</p> <p>COMMENTS: 1998 progress on reforms was substantial. 86% achievement, while very good in our view, does not tell the whole story of USAID's impact. As explained in the narrative, the change of government stalled reform for several months, but all the EG reform initiatives were revalidated by the new government in November and several received priority attention. Other important reforms not seen in EG's list of 15 have received significant boosts from EG activities.</p> <p>The GOM/private sector anti-corruption campaign has received considerable attention in part because of USAID support for NGOs. The GOM is pleased with USAID's offer to conduct an assessment of need, to inventory current anti-corruption activities, and to identify others. Also, USAID's economic association and microfinance legislative reform propositions have led the GOM to review, and likely liberalize, legislation and regulations governing all types of NGOs. Moreover, USAID emphasis on small enterprise development has led the new government to recognize its importance in the economy and accord special attention to small business. The GOM has asked USAID to draft a policy and a charter, which will provide the parameters of government promotion and support for small business. These important results don't show up in the current matrix.</p> <p>Moreover, EG cannot report fully on policy reform results which have generated jobs and exports because of the departure of the Agribusiness Promotion project TA team in June. Both jobs and exports were significantly increased by tomato exports to the U.S. but we don't have numbers. Also, we know that the adoption of uniform food safety standards has increased agricultural exports but we don't know the magnitude of the increase attributable to this reform.</p> <p>Reform progress is measured in terms of percentage achieved in five key phases, with Phase 5, implementation, given the greatest weight. However, EG experience has shown that the weights for the various phases do not adequately represent achievements. Thus, percentage weights may be revised for the 1999 report. Phases I-III could be accorded a higher percentage, because once consensus has been reached on the problem and the solution, adoption generally follows. Implementation often begins even before legislation is passed or implementation decrees are published, which can be a very lengthy process. This is the case with the microfinance law, the agricultural intellectual property rights decrees, and mortgage securities proposal.</p> <p>Note: The 2000 R4 was final reporting year for privatization results.</p>	YEAR	PLANNED	ACTUAL
	1995		30%
	1996	45%	43%
	1997	67%	69%
	1998	87%	86%
	1999	94%	

SO 3 Policy Reform Annex

1. Background: The SO 3 matrix was created in 1995 to help the SO team assess reform progress. The agenda originally included nine policy reforms. In 1996, the agenda was expanded to better reflect actual policy dialogue and to enable the SO team to more accurately report results. In addition, the reform agenda was regrouped under three policy emphases. The SO3 matrix model was subsequently adopted by other SO teams and some other missions.

Numbers in the columns indicate the **percentage estimate of completion** for each reform initiative. The reform process is comprised of five phases (with percentage weights shown): problem identification (10%), reform proposition (10%), public debate and validation (20%), adoption (20%), and implementation (40%).

2. Policy Matrix and Estimated Percentage of Accomplishments (T=Target, A=Actual):

Reforms	95	96	97	98 (T)	98 (A)	99
Policy Emphasis 1: Removing Obstacles to Business Development						
Small Business Policy Info Unit	20	40	60	80	80	*100
Private-Public Legal Framework	40	40	60	80	70	80
One-stop Registration Process	0	40	60	80	70	80
Economic Associations Law	40	40	40	60	80	80
Tax Form Simplification	40	60	80	100	80	100
Policy Emphasis 2: Improving Morocco's Competitiveness						
Uniform Food Safety Stand.	40	40	70	100	100	N/A
Truck Transport Surcharge	60	80	100	100	100	N/A
Ag Intellectual Property Rights	20	60	80	100	90	100
Crop Contracts & Arbitration	10	20	100	100	100	N/A
Red Tomato Initiative	10	20	60	100	100	N/A
Policy Emphasis 3: Improving Equity						
Housing Finance	40	40	60	80	80	100
Microfinance Associations Law	10	40	60	80	90	100
Liberalized Financial Sector	20	20	60	80	80	100
Competition Law	20	20	50	80	80	100
Privatization	80	80	90	N/A	N/A	N/A
Total	450	640	1040	1220	1200	940
Actual average of all reforms	30	43	69	--	86	--
Anticipated Average	30	45	67	87	--	**94

* 1999 target revised upward from 80% because of greater than anticipated success in 1998.

** 1999 target average rounded/revised downward from 95%.

Note: N/A signifies target 100% achieved or monitoring discontinued.

3. Description of Reform Initiatives:

Policy Emphasis 1: Removing Obstacles to Business Development

Small Business Policy Unit: facilitate informed enterprise policy analyses via linking the Central Business Registry database with related data bases in government offices for social security, taxes and court registers, including business startups/failures, geographic/sector growth, and employment.

Public-Private Legal Framework for Business-Government Relations: will codify a formal process for business-government collaboration on administrative reform concerning enterprises.

One-stop Business Registration Center: to include an official guide for business formalities and a pilot center within chambers of commerce for registering businesses, and eventually a single registration form and a single business identification and tax number.

Economic Associations Law: to accord business and trade associations a special status allowing them more autonomy and flexibility in organization, lobbying, and fund raising.

Business Tax Forms Simplification: reduction from ten to three, to cut management burden on enterprises and generate substantial savings in associated administrative costs for both the private and public sectors.

Policy Emphasis 2: Improving Morocco's Competitiveness

Uniform Food Safety Standards: adoption of HACCP methods and FDA-model food safety regulations for processed domestic and export food products to bring Moroccan standards in line with international requirements, enhance export competitiveness, and improve food safety.

Red Tomato Export Initiative: adoption, implementation, and maintenance of measures by GOM and private sector--including rigorous production, packing and shipping protocols--to secure USDA authorization of Moroccan red tomato imports that are free of Mediterranean fruit fly infestation.

Intellectual Property Rights in Agriculture: promote public awareness, adoption of plant varietal protection legislation, and enforcement measures to assure Morocco's adhesion to international standards respecting agricultural IPR, thus enhancing access to improved technologies from abroad and promoting local research.

Contracts and Arbitration Procedures: promote adoption of improved production contracts in the agricultural sector and arbitration to resolve disputes between growers and buyers, thus improving the quality and regularity of raw material supplies.

Truck Transport Surcharge: reduce export surcharge by GOM adoption of simplified inspection, certification, and port clearance procedures for perishable products, thus increasing efficiency of the local trucking industry, reducing costs, and improving the competitive position of Moroccan exports.

Policy Emphasis 3: Improving Equity

Housing Finance: increase access to finance for low-income groups, improve delivery of financial services, open provision of financing to private sector financial institutions, initiate secondary mortgage market, increase resources for mortgage finance, and better target government subsidies.

Microfinance Association Law: adoption of legislation for microfinance associations to accord them 'public utility' status, tax exemptions, and enable them to attract funding and expand lending.

Financial Sector Liberalization: promote public awareness among small businesses, associations, banks, and GOM agencies on how to deal with liberalized financial sector, including market-based interest rates and new savings and lending products aimed at micro and small enterprises.

Competition Law: adoption of legislation to assure protection of small businesses and consumers from illegal commercial practices and level the playing field for all types of businesses.

Privatization: Continue to implement program of privatizing 114 firms, promoting the spread of privatized firms' equity across a larger segment of the population, including their employees, while providing new opportunities to the private sector for the provision of formerly public services. Because the privatization project ended September 30, 1997, EG reporting ended with last year's R4.

STRATEGIC OBJECTIVE 3: Expanded Base of Stakeholders in the Economy, Targeting People of Below-median Income
APPROVED: 4/95 **COUNTRY/ORGANIZATION:** USAID/Morocco

SUB-INTERMEDIATE RESULT 3.2.1: Broadened access to financial resources and services

INDICATOR 3.2.3: Number of microenterprises receiving loans and amount loaned through the formal credit system

UNIT OF MEASURE: Cumulative number of microenterprises (N) and cumulative amount loaned (\$) in average loan amount of \$240. SOURCE: USAID Microenterprise Finance (MFA) special study, VITA contract reports, and AMSED (Moroccan NGO) reports. INDICATOR DESCRIPTION: cumulative figures of microenterprises served. INDICATOR DATA QUALITY: High COMMENTS: The Microenterprise Finance project was authorized in September 1995. Volunteers in Technical Assistance (VITA), the implementation contractor, began work in Morocco in August 1996 and created a new microfinance institution, Al Amana, in February 1997. Lending began in March 1997 and by year end 1,880 loans were provided by Al Amana, of which 16% went to women. At the end of CY 1997, the project had surpassed all targets identified for Phase I, which ended February 28, 1998. Results reported for 1993-96 included loans provided to microentrepreneurs by a Moroccan NGO, AMSED, which received USAID funding passed through Catholic Relief Services under a pilot program. This funding has ceased. Thus, figures for 1997 onward have been desegregated to include only Al Amana targets (which remain unchanged for 1997 and 1998) and results. Because of better than anticipated results for 1997 and 1998, the targets for 1999 and 2000 have been revised upward. Achievements in 1998 far surpassed targets. Al Amana opened 24 new branch offices in 1998, adding to the three offices opened in 1997. The number of client loans was more than double our expectation. Excellent management by the TA contractor, VITA, included refinement in the recruitment and training of loan agents; loan products and services targeted to clients needs; proximity of service offices to customers; regionally-targeted expansion; and increased capacity of headquarters staff. Al Amana has also made a special effort to recruit and hire female loan agents, who have helped effect a steady increase in the number of female clients, to whom 51% of loans were accorded, already exceeding the original project target of 30%. In addition, demonstrated project success generated increased support by the GOM and local government authorities. These factors help account for 1998 accomplishments. The proposed microfinance law passed both chambers of Parliament.	YEAR	PLANNED	ACTUAL
	1997	800 (N) \$192,000	1880 (N) \$451,200
	1998	4,760 (N) \$1.15 million	11,032 (N) \$2.75 million
	1999	27,685 \$7.80 million	
	2000 (T)	55,000 (N) \$21 million	

STRATEGIC OBJECTIVE 3: Expanded Base of Stakeholders in the Economy, Targeting People of Below-median Income APPROVED: 4/95 COUNTRY/ORGANIZATION: USAID/Morocco			
INTERMEDIATE RESULT 3.4: Improved competitiveness of USAID-assisted firms which generate employment for below-median-income people			
INDICATOR 3.4.1: Export sales attributable to USAID assistance			
UNIT OF MEASURE: Dollars SOURCE: USAID project reports (MAP, AIM) INDICATOR DESCRIPTION: both annual (A) and cumulative (C) figures INDICATOR DATA QUALITY: Good COMMENTS: <p>Figures were verified for period from January-June 1998 and doubled to arrive at annual and cumulative totals.</p> <p>Through 1995, the table includes data for horticultural, fish and artisanal product export sales directly facilitated by USAID projects. Following the end of the Accessing International Markets (AIM) project in mid-1996, only horticultural exports promoted by the Morocco Agribusiness Promotion (MAP) project are included. In all instances, only export sales facilitated by project staff are incorporated in these tables. USAID's impact is underestimated due to the fact that not all sales are reported by commercial contacts, and the impossibility of monitoring the impact of sales lead information published regularly by MAP. Moreover, as noted elsewhere, figures for tomato exports to the U.S., which began in 1998, are not included.</p> <p>The full impact of MAP on the horticultural sector goes far beyond these direct sales. MAP has helped add value to Moroccan horticultural products, increase sectorial resilience by diversifying market destinations, and improved the capacity of the sector to enter radically different markets in North America.</p> <p>By focussing on non-traditional markets in Europe and packaged products, MAP helped increase the value of Morocco's non-citrus horticultural exports to the EU by 26% from 1992 (\$323.9 million) to 1996 (\$408.6 million) over a period when the volume of Moroccan exports to the EU declined by 3% because of increasing EU import barriers on many traditional horticultural exports from Morocco. Overall project impact on the industry is high because it has opened the doors of new markets with new products, at the same time that it has worked with associations and government to reduce excessive administrative burdens and monopolistic transport prices.</p> <p>USAID support for transactional agribusiness activities will cease in FY 1999. Thus, this indicator will not be retained in the new Morocco country strategy and will not appear in the 2002 R4.</p>	YEAR	PLANNED	ACTUAL
	1992 (B)		\$3,920,000 (A) \$3,920,000 (C)
	1993		\$8,346,000 (A) \$12,266,000 (C)
	1994		\$16,411,000 (A) \$28,677,000 (C)
	1995		\$25,822,000 (A) \$54,499,000 (C)
	1996	\$23,000,000 (A) \$77,500,000 (C)	\$25,823,000 (A) \$80,320,000 (C)
	1997	\$14,750,000 (A) \$95,070,000 (C)	\$24,745,000 (A) \$105,067,000 (C)
	1998	\$11,450,000 (A) \$106,520,000 (C)	\$18,558,000 (A) \$123,625,000 (C)

SpO4: Increased Attainment of Basic Education Among Girls in Selected Rural Pilot Schools Using a Replicable Model

A. Summary

SpO4's work supports the "Economic Development" strategic goal of the Administration's International Affairs Strategic Plan (IASP) and the 1999 "Democracy" goal of the U.S. Embassy/Morocco's Mission Performance Plan (MPP).

SpO4's objective is to increase the participation of rural girls in basic education through integrated activities that address supply and demand issues in education and the policy reforms necessary for sustained change in the basic education system. SpO4's programs created an enabling learning environment in pilot schools, reflected in the 13 percent increase in the number of girls enrolled from school year 97/98 to school year 98/99. SpO4's programs have also strengthened the Ministry of National Education's (MNE) provincial level delegation's capacity to be responsive to new educational philosophies and management approaches. Due to SpO4's activities, a larger number of partners from civil society and the private sector have become involved in rural girls' education issues.

The SpO team also achieved a clearer consensus on future strategic direction within the context of the new Country Strategic Plan (CSP) for the years 1999-2005. In the expansion phase of the SpO's activities beginning in 2000, particular emphasis will be placed on geographic focus to collaborate with other SOs and achieve greater synergy in the Mission's programs.

B. Key Results

Some of SpO4's most important results during 1998 are:

Summary of SpO4's Key Results for 1998	
<ul style="list-style-type: none">• Training for Development (TFD), during its six month extension which began in September, has conducted a very successful pilot program of training teacher trainers in teacher training colleges (CFI) in the five pilot provinces.• GEA is in the process of establishing an NGO umbrella for facilitating work in girls' education.• As evidenced by the enrollment and completion rates, TFD and MEG's work in girls' education has begun to yield positive and promising results.• The MEG Activity conducted an assessment of the Ministry of National Education's (MNE) data collection system. The system was found to be reliable, efficient, and useful. The data source for reporting on SpO4 will, from henceforth, be the MNE.• In the past year, the MNE has begun devolving responsibility and authority to its provincial representatives, leading to an MNE that can be more responsive to local needs and constraints.	

C. Performance and Prospects

SpO4's overall performance is on track and the SpO has made considerable progress in 1998 in consolidating programs and activities for achieving its objective. The role, scope, and inputs of the Training for Development (TFD), Girls' Education Activity (GEA), and Morocco Education for Girls (MEG) activities were streamlined and more precisely defined. Through the participation of MEG and GEA, SpO4 moved from focusing mainly on school level interventions to a much broader set of interventions targeting schools, the provincial delegation, local communities, and civil society.

Despite extensive personnel problems with the MEG Activity, the SpO4 team has achieved great strides and

collected extensive information on the sustainability and impact of each intervention. The MEG activity has begun facilitating a working relationship between the community and the school as well as the community and the MNE delegation. The MEG activity also reviewed its data collection sources and analysis methods to ensure the reliability of the data and its efficacy for management of the SpO. The resulting recommendation was to change the source of data to the MNE Statistics Unit, which has made major strides over the last two years in improving and upgrading the efficiency of its data collection system.

TFD began its six-month extension period in September with a new focus on the teacher training colleges (CFI) in the five pilot provinces. TFD's pilot program for training teacher trainers in new pedagogical skills based on the philosophy of Multiple Intelligences has been enormously successful and holds much promise for wide-reaching and sustainable SpO4 impact. Based on TFD's results, we foresee that the MEG Activity will incorporate working in the teacher training colleges into the MEG Model design.

For this and upcoming R4s, we will be reporting on four indicators; percent enrollment of girls, gross completion rate, policies supportive of improved basic education for girls, and participation intensity level. We will discuss the highlights of these indicators in the following sections.

IR 4.1 - Increased responsiveness of the basic education system to girls' educational needs

MEG and TFD both made considerable headway in teacher, school director, and inspector's training. Training programs for teachers and school inspectors have been restructured after identifying training needs of primary school teachers in consultation with MNE officials. Training delivered by TFD and MEG centered on gender sensitivity, child-centered learning and lesson adaptation skills. Separate training on Equity in the Classroom was also delivered through a G/WID activity to school directors, inspectors, and selected teacher training college (CFI) professors.

As a consequence of all these varied inputs, the percent of girls enrolled in primary school has increased from 40 percent in school year 97/98 to 41 percent in school year 98/99 (representing a 13 percent increase in the number of girls enrolled from one year to the next). These successes were helped by the MNE's summer mobilization campaign for increasing enrollments, especially of girls in rural areas. Girls' gross completion rate (girls who finish grades 1-6 within 8 years) was 50 percent for school year 97/98 and 65 percent for school year 96/97. These are large increases from the gross completion rate of 39 percent in school year 95/96. We foresee continued improvement in enrollment rates for girls and a positive impact on completion rates as the target girls of SpO4 activities move up the primary school grades.

SpO4 activities will continue to provide training to school personnel to enhance their teaching skills and introduce new educational ideas. All SpO4 training activities will be expanded into the CFIs of the pilot provinces to ensure sustainability and longer-term impact on girls' retention. Training for MNE provincial level delegation personnel will increase with a concentration on strengthening their capacity for self-management under a decentralized system.

IR 4.2 - Increased institutionalization of basic education policy reform

On the policy side, SpO4 has achieved significant progress on some issues and more moderate success on others. The MNE has upgraded its data collection and analysis system, although they need more training

and support in using it as a decision-making and management tool. In support of the MNE's decentralization strategy, USAID has increased the MNE's capacity through interventions at the local and provincial levels. Furthermore, in response to his Majesty's announcement on March 1999 of the creation of a Commission for the Reform of Education and Training, USAID offered to provide the Commission with technical assistance for its task of reviewing education policies. Recommendations for policy reforms from the Commission may affect USAID/Morocco's policy agenda.

Finally, the SpO4 team is currently in the process of revising the actual policy objectives under this IR so that they are more closely aligned with MEG Model needs and SpO4 capabilities. It is essential to decide on policy objectives that will assist the MEG Model to be sustainable.

IR4.3 - Increased participation of girls' basic education partners

Both GEA and MEG are on-track to achieving this IR. The MEG activity has been successful in creating or activating parent associations in the communities of the pilot schools. They have also facilitated dialoguing mechanisms between school personnel and the community. Concurrently, GEA has involved national and local level NGOs in girls' education and is in the process of establishing an NGO umbrella which promotes girls' education nationally, plans and finds sources of funding for local projects, and trains NGO leaders in management and fundraising skills.

In March 1999, USAID/Morocco co-sponsored a conference on "Education and the Private Sector," which was the kick-off for involving the private sector as a partner in the promotion of basic education in Morocco. GEA has helped form a Committee of Support and Follow-up to the Conference which is the structure for integrating new private sector involvement in girls' education.

D. Possible Adjustment to Plans

Under the new CSP, SpO4 will become SpO8 and its objective statement will be modified to "Increased Attainment of Basic Education Among Girls in Selected Rural Provinces." Although no major programming changes are foreseen, there has been an assessment of indicators to better capture SpO4's impact: one new indicator will be added, three dropped, and two lowered to the IR level.

Other adjustments to the plan include extending the life of the MEG activity by one year to be completed in 2004. MEG will also take over TFD's pilot program in the teacher training colleges. During the extension phase of the SpO's activities, the teacher training colleges will serve as provincial centers for pre-service and in-service training for teachers, school directors, inspectors, and provincial MNE personnel working in or connected to the pilot schools.

E. Other Donor Programs

Currently, a number of donors are implementing programs in support of the MNE's strategy in basic education (both in the 5 provinces in which SpO4 currently works and the 9 provinces into which it will expand in 2000). Some international donors operate in several of these provinces, and a few, such as the World Food Program, operate in all 14 USAID-assisted provinces. UNICEF is the only donor that has an integrated approach to education (integrating work in the education, health, and environment sectors) and that integrates NGOs into program implementation.

The World Bank's Social Priorities Program is also active in the 14 USAID-assisted provinces, addressing basic education, basic health, coordination and monitoring of social programs, and labor promotion. SpO4 is currently working to update projections of donors' support to the education sector beyond the year 2000. Since SpO4's pilot programs terminate in 2004, it is necessary that other resources be leveraged to ensure that the MEG Model is replicated nationally.

F. Major Contractors and Grantees

Amideast continued to serve as contractor for the Training for Development (TFD) project. Creative Associates International, Inc. (CAII), with Management Systems International (MSI) as sub-contractor, is the institutional contractor for the Morocco Education for Girls (MEG) activity. The American Institute for Research (AIR) is the contractor for the Girls' Education Activity (GEA), while MSI is its sub-contractor for Morocco. CAII is also the contractor for the Equity in the Classroom activity.

G. SpO4 Performance Data Tables

SPECIAL OBJECTIVE 4: Increased attainment of basic education among girls in selected rural pilot schools using a replicable model																							
APPROVED: July 1998		COUNTRY/ORGANIZATION: USAID/Morocco																					
INDICATOR 4.1: Percent Enrollment of Girls																							
UNIT OF MEASURE: Percentage of girls of primary school age comprising student population in pilot schools. SOURCE: Ministry of National Education Statistics Unit. Calculations by MEG. INDICATOR DESCRIPTION: Percentage of the school population that is girls. This reflects the extent of equitable representation of girls in pilot schools. INDICATOR DATA QUALITY: Very Good COMMENTS: Last year, SpO4 reported the Adjusted Gross Enrollment for girls in pilot schools. It was concluded that this was not an appropriate or reliable indicator in this context since school-age population data is not currently available. When this demographic data becomes available through the MNE, the gross enrollment rate will be measured. In the interim, a verifiable and official proxy indicator, <u>percent enrollment of girls in the pilot schools</u> , is reported this year as a measure of enrollment trends and equity in the enrollment of boys and girls. <i>This proxy indicator can be used effectively to compare results from the pilot schools to data at the rural national level.</i> Current Data Girls comprised 40% of children enrolled in the pilot schools in school year 97/98 and 41% in 98/99. In total numbers, this represents 851 girls and 1,264 boys enrolled in 97/98 and 958 girls and 1,383 boys in 98/99. <i>Girls' enrollment in primary school increased by 21% from the school year 96/97 to 97/98 and by 13% from school year 97/98 to 98/99.</i> This is a large increase from 96/97 when the total number of girls enrolled in pilot schools was 701 which represented 37% of the of enrollments in the pilot primary schools. At the national level, the increase in girls' enrollment from 96/97 to 97/98 was 10% and 22% from 97/98 to 98/99. This latter steep increase reflects results of the MNE's national mobilization campaign, over the summer of 98, to increase enrollments in primary schools in Morocco. Comparable data at the rural national level for percentage enrollment of boys and girls are as follows: <table><tr><td><u>Year</u></td><td><u>Girls</u></td><td><u>Boys</u></td><td><u>% Enrolled are Girls</u></td></tr><tr><td>95/96</td><td>448,848</td><td>836,096</td><td>35%</td></tr><tr><td>96/97</td><td>477,109</td><td>856,709</td><td>36%</td></tr><tr><td>97/98</td><td>525,457</td><td>885,398</td><td>37%</td></tr><tr><td>98/99</td><td>638,332</td><td>979,974</td><td>39%</td></tr></table> * The planned data for this indicator have not been changed since the Percent Enrollment of Girls reported in this R4 is a proxy until next year when the Gross Enrollment Rates will be reported, once we are able to access school-age population statistics from the MNE.	<u>Year</u>	<u>Girls</u>	<u>Boys</u>	<u>% Enrolled are Girls</u>	95/96	448,848	836,096	35%	96/97	477,109	856,709	36%	97/98	525,457	885,398	37%	98/99	638,332	979,974	39%	YEAR	PLANNED	ACTUAL
	<u>Year</u>	<u>Girls</u>	<u>Boys</u>	<u>% Enrolled are Girls</u>																			
	95/96	448,848	836,096	35%																			
	96/97	477,109	856,709	36%																			
	97/98	525,457	885,398	37%																			
	98/99	638,332	979,974	39%																			
	95/96	-	37%																				
	96/97	-	37%																				
	97/98	30%	40%																				
98/99	45%	41%																					
99/00	50%																						
00/01	55%																						
01/02	60%																						
02/03	65%																						

SPECIAL OBJECTIVE 4: Increased attainment of basic education among girls in selected rural pilot schools using a replicable model.

APPROVED: July 1998

COUNTRY/ORGANIZATION: USAID/Morocco

INDICATOR 4.2: Gross Completion Rate

UNIT OF MEASURE: Percentage of girls completing the primary education cycle (years 1-6) within 8 years of attending school.

SOURCE: Ministry of National Education Statistics Unit. Calculations by MEG.

INDICATOR DESCRIPTION: The girls' completion rate measures the degree to which girls successfully complete the entire first cycle (years 1-6) of primary education.

INDICATOR DATA QUALITY: Very Good

COMMENTS:

The gross completion rate for school year 96/97 increased dramatically from the year before. 96/97 was the first year that SpO4 activities were in the field. Last year, reporting was on girls' net completion. Since the objective of this indicator is to capture all girls who complete the primary cycle, *from this year forward, gross completion rates will be reported*. Consequently, the planned data has been changed to reflect this shift from net completion to gross completion rates.

By comparison, gross completion rates for boys are:

<u>School Year</u>	<u>Boys Gross Completion Rate</u>
95/96	58%
96/97	61%
97/98	71%

Further analysis of trends is required to ascertain the apparent correlation between the increase in the percent enrollment of girls from school year 96/97 to 97/98 and the decrease in the gross completion rates for those same years.

YEAR	PLANNED	ACTUAL
93/94	-	
94/95	-	32%
95/96	-	39%
96/97	40%	65%
97/98	45%	50%
98/99	50%	
99/00	55%	
00/01	60%	
01/02	65%	
02/03	70%	
02/04	75%	

SPECIAL OBJECTIVE 4: Increased attainment of basic education among girls in selected rural pilot schools using a replicable model APPROVED: July 1998 COUNTRY/ORGANIZATION: Morocco/USAID			
INTERMEDIATE RESULT 4.2: Increased institutionalization of basic education policy reform.			
INDICATOR 4.2.1: Policies/measures supportive of improved basic education for girls.			
UNIT OF MEASURE: Percentage completion of 6 policy objectives explained below. See next page for breakdown of scoring by objective. SOURCE: MEG, GEA, TFD, USAID and MNE INDICATOR DESCRIPTION: Advancement in policy dialogue and implementation of measures within and outside the MNE, aimed at improving basic education for girls. INDICATOR DATA QUALITY: Good COMMENTS: The policy agenda was defined in 1996 and is based on achievement of reforms or implementation of actions or measures related to 6 key policy objectives addressing critical supply and demand issues. Resolution of these agenda items will greatly facilitate achievement of the SpO. MNE System Responsiveness (Supply Issues) <i>Objective 1- Data Collection System:</i> MNE to adopt a more efficient data collection system for timely program analysis to ensure, inter alia, that girls' issues are taken into consideration in program planning. <i>Objective 2 - Primary Education Budget:</i> Negotiate with MNE and MOF an increase in the amount of GOM funds allocated for primary education, or a re-distribution of current, total GOM funding for education (all levels), in favor of a larger percent of funding for primary education and earmarks for rural primary schools to promote development of girl-friendly programs. <i>Objective 3 - Rural Teachers' Package:</i> Design and implement a rural teachers' compensation package and measures to build up and maintain a critical mass of competent teachers, including an increased number of women teachers, in rural areas. Effective Partnership Participation (Demand Issues) <i>Objective 4- Analysis and Advocacy Skills:</i> Assist all partners (e.g., local MNE officials, community leaders, and parents' associations) to analyze various policy issues and develop advocacy skills in favor of girls' education. <i>Objective 5- Decentralization:</i> Advocate for and negotiate, with central MNE, a phased plan to decentralize the decision-making process so that local communities have ownership and accountability for school education in their respective areas. <i>Objective 6- Forging Partnerships:</i> Negotiate with other ministries, donors and local authorities the improvement of school physical environment, infrastructure, latrines, canteen, school transport, etc., to alleviate parents' concerns about sending their girl children to school. <i>*These policy objectives are currently under revision for more direct linkage to MEG Model objectives and sustainability of the Model. The planned data will also be revised in line with the new policy objectives.</i>	YEAR	PLANNED	ACTUAL
	1997	-	2%
	1998	12%	19.1%
	1999	33%	
	2000	38%	
	2001	50%	
	2002	80%	
	2003	83%	

Anticipated and 1998 actual (in bold) policy achievements under SpO4 are summarized in the following table:

Reforms		97	98	99	00	01	02	03
Policy Emphasis 1: MNE System Responsiveness (Supply Objectives)								
Data collection system								
	Planned	10	20	40	60	60	100	100
	Actual	15	25					
Primary Education Budget								
	Planned	0	10	20	20	40	40	60
	Actual	0	10					
Rural teachers' package								
	Planned	0	10	20	40	60	100	100
	Actual	5	10					
Policy Emphasis 2: Effective Partner Participation (Demand Objectives)								
Analysis and advocacy skills								
	Planned	0	20	60	60	60	100	100
	Actual	5	20					
Decentralization								
	Planned	0	0	10	10	20	40	40
	Actual	0	20					
Forging partnerships								
	Planned	0	20	60	60	60	100	100
	Actual	10	30					
TOTAL								
	Planned	10	80	200	230	300	480	500
	Actual	35	115					
Average of all reforms								
	Planned	2	12	33	38	50	80	83
	Actual	5.9	19.1					

Based on MEG experience and in anticipation of the replication and sustainability of the MEG model, the SpO4 team is revising the policy objectives. The purpose of the revision, which will be included in the new Performance Monitoring Plan (PMP), is to modify the overly ambitious "Policy Reform" to a more realistic "enabling environment" level, considered more appropriate for an SpO and the pilot basis on which it is to be achieved. The rationale being MEG model sustainability. The revised "policy" objectives will be within the managerial interest of the SpO.

COUNTRY/ORGANIZATION: USAID/Morocco

INDICATOR 4.3.1: Participation Intensity Level

** As is apparent, this indicator has not met its target for this year. This is due to inclusion of a new category of partner – the private sector – which is slated to become active at the local level during the coming year. Therefore, this has lowered the overall average of the participation intensity score.*

02/03

PART III: RESOURCE REQUEST

A. Rationale for Program Resource Level

The budget request for FY01 must be considered in context of the new FY99 – FY05 Country Strategic Plan (CSP). The combined Development Assistance (DA) and Child Survival and Disease (CSD) funding “request level” for FY01 is \$8 million. The CSP will include a “preferred” option scenario of \$10 million in FY01. As discussed in the CSP, the additional funds (\$2 million) will enable the Mission to continue to broaden and deepen the extent and impact of the community participation elements of our program. This request and the overall CSP request is consistent with Bureau CSP guidance provided in State 92399, dated May 22, 1998.

Effectively, by FY01, USAID/Morocco will be approaching near mid-point of the new strategy period and will have concluded much of the design of new results packages and related activities that will give substance to the new strategic directions. Funding at this time will be critical to ensure that these activities are implemented in a timely manner and are sustained to achieve targeted results.

The proposed obligation schedule for the two special objectives makes the availability of our request for FY01 even more important. The Mission is proposing completion of substantial obligations for these programs early enough to ensure attainment of our objectives and targets, and to ensure timely downsizing of the program to the two remaining strategic objectives. Also, the proposed FY01 budget represents a very significant (approximately) 20 percent of the overall budget request for the strategy period.

The following SO/SpO references are based on the new strategy.

SO5: Increased Opportunities for Domestic and Regional Trade and Investment

The estimated SO5 pipeline at the end of FY2000 is about \$2.189 million. To this amount, the Mission anticipates a FY01 obligation of \$2 million. This combined amount is required in order to address early implementation requirements for two new results packages, complete the mortgage for the New Enterprise Development activity, and maintain the considerable momentum that has been achieved under the Microenterprise Finance Activity.

The CSP anticipates completion of existing mortgages plus the design and approval of two key new results packages in FY00, altogether totaling about \$11.5 million over the strategy period. Procurement actions resulting from these approvals will begin by late FY00, and will require the assurance of sufficient OYB in FY01 to enable implementation work to proceed apace.

The Microenterprise Finance Activity substantially expanded in 1998 and achievements far surpassed targets. The number of lending offices increased in number from 3 to 27 and as much \$100,000 is currently being disbursed in loans each week. The pipeline is being drawn down so rapidly that the SO team was concerned that the project would run out of funds before a 1999 obligation could be incurred. It must be noted that Agency financial reports are not keeping pace with disbursements and expenditures.

With regard to the New Enterprise Development activity, the same is true. The technical assistance contract is not fully funded and the EG team anticipates having to commit another \$600,000 to the contract to complete ongoing activities. At least \$300,000 of these funds are targeted for one sub-contracted activity. To have funding available on a timely basis to implement activities foreseen in the 1999-2005 strategy period, the EG team will obligate another \$500,000 to the project in 1999.

SO6: Improved Water Resources Management in the Souss-Massa River Basin

The estimated SO2 pipeline at the end of FY2000 is about \$3.849 million. To this amount, the Mission anticipates a FY01 obligation of \$2 million. This combined amount is required to complete the mortgage for the Water Resources Sustainability (WRS) Results Package (RP) and provide the third year of funding for the Souss-Massa River Basin (SMRB) RP, to be authorized at the end of FY 1999 following approval of the new CSP. By FY01, the latter RP should be fully staffed and gaining momentum, and will likely be starting to implement “best practices” pilot activities, which will engender increased expenditures. Given this scenario, the projected total resource availability of \$5.849 million should be sufficient to carry out planned activities under both the WRS and SMRB RPs.

If the request level is not received, resources will be insufficient to achieve targeted results in one or both RPs. A difficult choice will need to be made: whether to cut back on a very successful activity during the replication phase (WRS), or severely stunt the growth of the principal SO6 activity (SMRB) during the steep phase of its growth curve. Since both RPs will be working in tandem to achieve SO6 objectives, this important decision, if required, should be made only after fully assessing trade-offs within the context of how the two activities have developed.

SpO7: Key Interventions Promote Sustainability of Population, Health and Nutrition Programs

The estimated SpO7 pipeline at the end of FY2000 is about \$2.5 million, all in field support activities. This pipeline is essential to operations of the G/PHN activities, which are our only means of implementation under SpO7. Historically, FY obligations into G/PHN programs occur very late in the fiscal year - rarely before August. Thus, without a sufficient pipeline at the beginning of the fiscal year, Global Bureau programs will not be able to provide support to the Morocco program in FY01.

The Mission anticipates obligation of an additional \$2 million for this SpO in FY01, all for continuing field support work. If the Mission does not receive the requested amount, we would have to discontinue funding for one or more of the remaining Global Bureau activities, and thus, would have to drop one of the two IRs. We would also be unable to provide even partial funding for a DHS in CY 2002. The DHS is a key performance monitoring activity for which the Mission anticipates leveraging considerable other donor contributions. Without this DHS, we would be unable to track progress against SpO-level indicators unless we contribute at least partial funding. We would be poorly placed to leverage other donor money to accomplish the full DHS.

It is noteworthy that the anticipated level of resource availability (pipeline plus OYB) are a drastic reduction from our FY 99 - 00 levels of funding - with projected expenditures amounting to over \$9.2 million in FY 99 and at least \$7.6 million in FY2000. Therefore, the likelihood of cutting an IR is not an overstatement. Also, the Mission notes that Global Bureau mechanisms are a relatively expensive implementation approach, with higher than average overhead cost associated with large home office support to manage global programs.

Finally, as with SpO8 (education), SpO7 is projected to end in FY04. To accomplish this, the final year of obligation should be FY03, providing sufficient time to program and expend resources and achieve results within the SO timeframe. This makes receipt of the FY01 request level that much more important.

SpO8: Increased Attainment of Basic Education Among Girls in Selected Rural Areas

The budget request of \$2 million for FY01 will allow SpO8, through its contractors, to expand the MEG model to nine additional sites. This will include providing (Moroccan and international) technical assistance for the school, community and capacity building components. In addition, the GE Activity will aggressively pursue mechanisms for increasing and expanding partnerships for sustained support for girls' education.

With a projected end FY2000 pipeline of \$4.245 million SpO8 can carry out its milestone and implementation plans for 18 months. If the request level is not received, there will be considerable slowdown in MEG model replication, or a reduction in the number of sites to which the model is to be replicated. The MEG model needs to be fully "experimented and experienced" in different socio, economic, and cultural sites. Reducing the number of sites or slowing implementation will have a negative impact on the quality of the final results achieved, and the model provided to the GOM for country wide replication.

Finally, as with SpO7, SpO8 is projected to end in FY04. To accomplish this, the final year of obligation should be FY02, providing sufficient time to program and expend resources and achieve results within the SO timeframe. This makes receipt of the FY01 request level that much more important.

FY 1999 Budget Request by Program/Country

MOROCCO

19-May-99

02:35 PM

Program/Country:
Approp Acct: DA/CSD
Scenario

S.O. # , Title		FY 1999 Request													Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 99
	Bilateral/ Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		
SO 1: Reduced Fertility and Improved Health for Children Under Five and Women of Child Bearing Age																
	Bilateral	0													9,200	4,130
	Field Spt	3,450						3,000	450						0	3,450
		3,450	0	0	0	0	0	3,000	450	0	0	0	0	0	9,200	7,580
SO 2: Improved Water Resources Management in the Agricultural, Industrial and Urban Sectors																
	Bilateral	750							750						6,960	3,564
	Field Spt	0														
		750	0	0	0	0	0	0	750	0	0	0	0	0	6,960	3,564
SO3: Expanded Base of Stakeholders in the Economy, Targeting People of Below-Median Income																
	Bilateral	1,000	1,000												5,183	4,689
	Field Spt	0														
		1,000	1,000	0	0	0	0	0	0	0	0	0	0	0	5,183	4,689
SpO 4: Increased Basic Educational Attainment Among Girls in Selected Rural Pilot Schools, Using a Replicable Model																
	Bilateral	1,626				1,626									3,581	4,945
	Field Spt	0														
		1,626	0	0	0	1,626	0	0	0	0	0	0	0	0	3,581	4,945
SO 6: Improved Water Resources Management in the Souss-Massa River Basin																
	Bilateral	1,000											1,000		500	500
	Field Spt	0														
		1,000	0	0	0	0	0	0	0	0	0	0	1,000	0	500	500
Cross-Cutting Activity: Development Studies and Technical Support																
	Bilateral	0													330	589
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	330	589
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		4,376	1,000	0	0	1,626	0	0	750	0	0	0	1,000	0	25,754	18,417
Total Field Support		3,450	0	0	0	0	0	3,000	450	0	0	0	0	0	0	3,450
TOTAL PROGRAM		7,826	1,000	0	0	1,626	0	3,000	1,200	0	0	0	1,000	0	25,754	21,867

FY 99 Request Agency Goal Totals	
Econ Growth	1,000
Democracy	0
HCD	1,626
PHN	5,826
Environment	1,000
Program ICASS	0
GCC (from all Goals)	0

FY 99 Account Distribution (DA only)	
Dev. Assist Program	7,826
Dev. Assist ICASS	
Dev. Assist Total:	7,826
CSD Program	450
CSD ICASS	
CSD Total:	450

Prepare one set of tables for each appropriation Account
Tables for DA and CSD may be combined on one table.
For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

FY 2000 Budget Request by Program/Country

MOROCCO

19-May-99

02:35 PM

Program/Country:
Approp Acct: DA/CSD
Scenario

S.O. # , Title		FY 2000 Request													Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 00
	Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		
SO 1: Reduced Fertility and Improved Health for Children Under Five and Women of Child Bearing Age															Year of Final Obligation: 1998	
	Bilateral	0													4,130	
	Field Spt	0													0	
		0	0	0	0	0	0	0	0	0	0	0	0	0	4,130	0
SO 5: Increased Opportunities for Domestic and Regional Trade and Investment															Year of Final Obligation: 2004	
	Bilateral	1,000	500		500										3,500	2,189
	Field Spt	0														
		1,000	500	0	500	0	0	0	0	0	0	0	0	0	3,500	2,189
SO 6: Improved Water Resources Management in the Souss-Massa River Basin															Year of Final Obligation: 2004	
	Bilateral	3,000											3,000		3,215	3,849
	Field Spt	0														
		3,000	0	0	0	0	0	0	0	0	0	0	3,000	0	3,215	3,849
SpO 7: Key Interventions Promote Sustainability of Population, Health and Nutrition Programs															Year of Final Obligation: 2004	
	Bilateral	0														
	Field Spt	2,500						2,000	500						3,500	2,500
		2,500	0	0	0	0	0	2,000	500	0	0	0	0	0	3,500	2,500
SpO 8: Increased Attainment of Basic Education Among Girls in Selected Rural Areas															Year of Final Obligation: 2002	
	Bilateral	1,000				1,000									1,700	4,245
	Field Spt	500				500									500	0
		1,500	0	0	0	1,500	0	0	0	0	0	0	0	0	2,200	4,245
Cross-Cutting Activity: Development Studies and Technical Support															Year of Final Obligation: 1994	
	Bilateral	0													280	309
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	280	309
															Year of Final Obligation:	
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
															Year of Final Obligation:	
	Bilateral	0														
	Field Spt	0														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		5,000	500	0	500	1,000	0	0	0	0	0	0	3,000	0	12,825	10,592
Total Field Support		3,000	0	0	0	500	0	2,000	500	0	0	0	0	0	4,000	2,500
TOTAL PROGRAM		8,000	500	0	500	1,500	0	2,000	500	0	0	0	3,000	0	16,825	13,092

FY 00 Request Agency Goal Totals	
Econ Growth	1,000
Democracy	0
HCD	1,500
PHN	4,000
Environment	3,000
Program ICASS	0
GCC (from all Goals)	0

FY 00 Account Distribution (DA only)	
Dev. Assist Program	8,000
Dev. Assist ICASS	
Dev. Assist Total:	8,000
CSD Program	1,000
CSD ICASS	
CSD Total:	1,000

Prepare one set of tables for each appropriation Account
Tables for DA and CSD may be combined on one table.
For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

FY 2001 Budget Request by Program/Country

MOROCCO

19-May-99

02:35 PM

Program/Country:
Approp Acct: DA/CSD
Scenario

S.O. # , Title		FY 20001 Request													Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 01	Future Cost (POST-2001)
	Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G			
SO 5: Increased Opportunities for Domestic and Regional Trade and Investment															Year of Final Oblig: 2004		
	Bilateral	2,000	1,000		1,000										4,000	189	6,000
	Field Spt	0															
		2,000	1,000	0	1,000	0	0	0	0	0	0	0	0	0	4,000	189	6,000
SO 6: Improved Water Resources Management in the Souss-Massa River Basin															Year of Final Oblig: 2004		
	Bilateral	2,000							250				1,750		2,971	2,878	6,000
	Field Spt	0															
		2,000	0	0	0	0	0	0	250	0	0	0	1,750	0	2,971	2,878	6,000
SpO 7: Key Interventions Promote Sustainability of Population, Health and Nutrition Programs															Year of Final Oblig: 2004		
	Bilateral	0															
	Field Spt	2,000						1,500	500						3,000	1,500	5,000
		2,000	0	0	0	0	0	1,500	500	0	0	0	0	0	3,000	1,500	5,000
SpO 8: Increased Attainment of Basic Education Among Girls in Selected Rural Areas															Year of Final Oblig: 2002		
	Bilateral	1,500				1,500									2,500	3,245	2,000
	Field Spt	500				500									500	0	
		2,000	0	0	0	2,000	0	0	0	0	0	0	0	0	3,000	3,245	2,000
Cross-Cutting Activity: Development Studies and Technical Support															Year of Final Oblig: 1994		
	Bilateral	0													309	0	0
	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	309	0	0
															Year of Final Oblig:		
	Bilateral	0															
	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
															Year of Final Oblig:		
	Bilateral	0															
	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
															Year of Final Oblig:		
	Bilateral	0															
	Field Spt	0															
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		5,500	1,000	0	1,000	1,500	0	0	250	0	0	0	1,750	0	9,780	6,312	14,000
Total Field Support		2,500	0	0	0	500	0	1,500	500	0	0	0	0	0	3,500	1,500	5,000
TOTAL PROGRAM		8,000	1,000	0	1,000	2,000	0	1,500	750	0	0	0	1,750	0	13,280	7,812	19,000

FY 01 Request Agency Goal Totals	
Econ Growth	2,000
Democracy	0
HCD	2,000
PHN	4,250
Environment	1,750
Program ICASS	0
GCC (from all Goals)	0

FY 01 Account Distribution (DA only)	
Dev. Assist Program	8,000
Dev. Assist ICASS	
Dev. Assist Total:	8,000
CSD Program	1,000
CSD ICASS	
CSD Total:	1,000

Prepare one set of tables for each appropriation Account
Tables for DA and CSD may be combined on one table.
For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

PART IV: WORKFORCE AND OPERATING EXPENSE LEVELS

A. Workforce Levels

The latest USDH workforce level allotted by USAID/W through FY01 is adequate to administer and support the Mission's two strategic objectives and to perform the necessary administrative and management functions. However, the Mission is concerned about its ability to manage the two special objectives (SpOs) – health/population and education that will be phasing out in FY04. Accordingly, the Mission is requesting that the Health/Population Officer scheduled to depart in FY2000 be replaced by a General Development Officer (GDO) position, with particular strengths primarily in education and secondarily in health/population.

If, beyond FY2000, the Mission is forced to choose between eliminating either the Executive Officer of the Controller positions, the Mission would reluctantly part with the Controller position. Faced with this possibility, the Mission has initiated a dialogue with USAID/Egypt concerning its capacity to provide USAID/Morocco with regional Controller support. It is management's opinion, however, that, given the transitions that will occur during the new strategy period, as activities prepare to close down, the Mission would be better served by its in-country Controller rather than by regional support. Therefore, the Mission proposes that the USDH workforce, including the Controller position, be maintained at 7 until the phase-out of the two special objectives, when the GDO position would be eliminated.

In anticipation of future downsizing and to reflect current needs, one program-funded FN PSC Financial Analyst position and one TCN PSC from administrative staff will be eliminated by the end of FY99. Later, during the period of this R4, the Mission will undergo additional downsizing primarily related to the transition from a bilateral Health/Population program to one managed by the Global Bureau using Regional Support. The reductions will begin in FY2000 with the reduction of one program-funded USPSC, followed in FY01 with the reduction of a program-funded FN PSC and a Fellow.

This request reflects a decrease in the Mission's overall workforce from 60 at the end of FY98 to 55 by the end of FY01. However, with the exception of the TCN PSC, the reductions are all program-funded and will not result in a material reduction in OE requirements. As indicated in previous R4 requests, in order to reduce OE-funded support staff, the Mission would have to enroll in more ICASS services. Unfortunately, analyses of ICASS costs reiterate that doing so would be extremely cost-prohibitive and would also result in lower levels of service. The Mission is continuing to work with the ICASS council and the Embassy in an effort to reduce ICASS costs to the point where it would be advantageous to increase USAID's participation.

B. Operating Expense Levels

The Mission will be able to cover its operating expenses for FY99 at the current level of \$2,800,000 (\$70,000 below requested). With some good fortune and with the implementation of strict cost containment measures along with the application of the new project versus OE funding guidance, USAID/Morocco will be able to manage with a "straight-line" OE budget (\$2,870,000) through FY01. Although a "straight-line" budget amounts to a real reduction in resources, the Mission anticipates that enough savings will be realized through staff reduction and adherence to the new project-funding guidance to enable the Mission to offset the normal increases in FSN payroll costs, which comprise by far the largest component of its OE costs.

With the move in May of 1999 to new, more secure, and less-costly space, the Mission will effect annual lease savings of \$14,000. The elimination of the TCN PSC position in the Management Office and the conversion of two contract specialists to project funding will afford the Mission in FY2000 the opportunity to fund some

much-needed expenditures. The Mission will plan a Mission-wide retreat (first under the new Country Strategy, and current Director), maintain staff training, and replace aging vehicles. Any “wiggle room” anticipated for FY2000 will disappear with the cumulative effect of annual 5 percent increases in FSN payroll, and the costs of HL and transfers, which cycle in on the odd years.

The Mission is living within the mandates of a "straight-lined" budget, but is approaching the point where any change for the worse in either the rate of exchange or inflation could force the Mission to severely reduce discretionary spending, such as training, furniture and equipment purchases, language training, AID/W visits, etc. Further cuts in the OE levels would increase the Mission's vulnerability to unforeseen circumstances, possibly forcing it to reduce administrative staff and services, which would hinder the Mission's ability to adequately manage its program.

Workforce Tables

<u>USAID/Morocco</u>																
End of year On-Board	EG	ENV				HP	ED	Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
FY 1999 Estimate																
OE Funded: 1/																
U.S. Direct Hire	1	1				1		3	2	1	1				4	7
Other U.S. Citizens								0			1				1	1
FSN/TCN Direct Hire		1				1	1	3	1	2	3				6	9
Other FSN/TCN	1	1				1	2	5	3	3	16				22	27
Subtotal	2	3	0	0	0	3	3	11	6	6	21	0	0	0	33	44
Program Funded 1/																
U.S. Citizens		1				1		2				1			1	3
FSNs/TCNs	3					1	1	5		2		1			3	8
Subtotal	3	1	0	0	0	2	1	7	0	2	0	2	0	0	4	11
Total Direct Workforce	5	4	0	0	0	5	4	18	6	8	21	2	0	0	37	55
TAACS						1	1	2							0	2
Fellows						1		1							0	1
IDIs								0							0	0
Subtotal	0	0	0	0	0	2	1	3	0	0	0	0	0	0	0	3
TOTAL WORKFORCE	5	4	0	0	0	7	5	21	6	8	21	2	0	0	37	58

Workforce Tables

USAID/Morocco	EG	ENV			HP	ED	Total	Org.	Fin.	Admin.	Con-		All	Total	Total
End of year On-Board							SO/SpO	Mgmt.	Mgmt	Mgmt	tract	Legal	Other	Mgmt.	Staff
FY 2000 Target															
OE Funded: 1/															
U.S. Direct Hire	1	1					2	2	1	1				4	6
Other U.S. Citizens							0			1				1	1
FSN/TCN Direct Hire		1			1	1	3	1	2	3				6	9
Other FSN/TCN	1	1			1	2	5	3	3	16				22	27
Subtotal	2	3	0	0	0	2	10	6	6	21	0	0	0	33	43
Program Funded 1/															
U.S. Citizens		1					1				1			1	2
FSNs/TCNs	3				1	1	5		2		1			3	8
Subtotal	3	1	0	0	0	1	6	0	2	0	2	0	0	4	10
Total Direct Workforce	5	4	0	0	0	3	16	6	8	21	2	0	0	37	53
TAACS					1	1	2							0	2
Fellows					1		1							0	1
IDIs							0							0	0
Subtotal	0	0	0	0	0	2	3	0	0	0	0	0	0	0	3
TOTAL WORKFORCE	5	4	0	0	0	5	19	6	8	21	2	0	0	37	56

FY 2000 Request															
OE Funded: 1/															
U.S. Direct Hire	1	1				1	3	2	1	1				4	7
Other U.S. Citizens							0			1				1	1
FSN/TCN Direct Hire		1			1	1	3	1	2	3				6	9
Other FSN/TCN	1	1			1	2	5	3	3	16				22	27
Subtotal	2	3	0	0	0	2	11	6	6	21	0	0	0	33	44
Program Funded 1/															
U.S. Citizens		1					1				1			1	2
FSNs/TCNs	3				1	1	5		2		1			3	8
Subtotal	3	1	0	0	0	1	6	0	2	0	2	0	0	4	10
Total Direct Workforce	5	4	0	0	0	3	17	6	8	21	2	0	0	37	54
TAACS					1	1	2							0	2
Fellows					1		1							0	1
IDIs							0							0	0
Subtotal	0	0	0	0	0	2	3	0	0	0	0	0	0	0	3
TOTAL WORKFORCE	5	4	0	0	0	5	20	6	8	21	2	0	0	37	57

Workforce Tables

USAID/Morocco																	
End of year On-Board									Total							Total	Total
FY 2001 Target	EG	ENV	HP				ED	SO/SpO Staff	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff	
OE Funded: 1/																	
U.S. Direct Hire	1	1						2	1	1					4	6	
Other U.S. Citizens								0	1						1	1	
FSN/TCN Direct Hire					1	1	3	1	2	3					6	9	
Other FSN/TCN	1	1					2	5	3	3	16				22	27	
Subtotal	2	3	0	0	0	2	3	10	6	6	21	0	0	0	33	43	
Program Funded 1/																	
U.S. Citizens	1							1	1						1	2	
FSNs/TCNs	3						1	4	2		1				3	7	
Subtotal	3	1	0	0	0	0	1	5	0	2	0	2	0	0	4	9	
Total Direct Workforce	5	4	0	0	0	2	4	15	6	8	21	2	0	0	37	52	
TAACS	1							2							0	2	
Fellows								0							0	0	
IDIs								0							0	0	
Subtotal	0	0	0	0	0	1	1	2	0	0	0	0	0	0	0	2	
TOTAL WORKFORCE	5	4	0	0	0	3	5	17	6	8	21	2	0	0	37	54	

FY 2001 Request																	
OE Funded: 1/																	
U.S. Direct Hire	1	1					1		3	2	1	1				4	7
Other U.S. Citizens									0			1				1	1
FSN/TCN Direct Hire		1					1	1	3	1	2	3				6	9
Other FSN/TCN	1	1					1	2	5	3	3	16				22	27
Subtotal	2	3	0	0	0	0	2	4	11	6	6	21	0	0	0	33	44
Program Funded 1/																	
U.S. Citizens		1							1				1			1	2
FSNs/TCNs	3							1	4		2		1			3	7
Subtotal	3	1	0	0	0	0	0	1	5	0	2	0	2	0	0	4	9
Total Direct Workforce	5	4	0	0	0	0	2	5	16	6	8	21	2	0	0	37	53
TAACS									2							0	2
Fellows									0							0	0
IDIs									0							0	0
Subtotal	0	0	0	0	0	0	1	1	2	0	0	0	0	0	0	0	2
TOTAL WORKFORCE	5	4	0	0	0	0	3	6	18	6	8	21	2	0	0	37	55

Workforce

MISSION :

USAID/Morocco (Requested Levels)

USDH STAFFING REQUIREMENTS BY SKILL CODE

BACKSTOP (BS)	NO. OF USDH EMPLOYEES IN BACKSTOP FY 1999	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2002
01SMG	1	1	1	1
02 Program Officer	1	1	1	1
03 EXO	1	1	1	1
04 Controller	1	1	1	1
05/06/07 Secretary				
10 Agriculture				
11 Economics				
12 GDO		1	1	1
3				
14 Rural Development				
15 Food for Peace				
21 Private Enterprise	1	1	1	1
25 Engineering				
40 Environment	1	1	1	1
50 Health/Pop.	1			
60 Education				
75 Physical Sciences				
85 Legal				
92 Commodity Mgt				
93 Contract Mgt				
94 PDO				
95 IDI				
Other*				
TOTAL	7	7	7	7

*please list occupations covered by other if there are any

Operating Expenses

Org. Title: USAID/Morocco Org. No: 23608 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent															
11.1	Base Pay & pymt. for annual leave balances - FNDH	212	100	312	304		304	318		318	304		304	324		324
	Subtotal OC 11.1	212	100	312	304	0	304	318	0	318	304	0	304	324	0	324
11.3	Personnel comp. - other than full-time permanent															
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0			0			0			0
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation															
11.5	USDH			0			0			0			0			0
11.5	FNDH	8		8	8		8	9		9	8		8	10		10
	Subtotal OC 11.5	8	0	8	8	0	8	9	0	9	8	0	8	10	0	10
11.8	Special personal services payments															
11.8	USPSC Salaries	71		71	84		84	61		61	84		84	64		64
11.8	FN PSC Salaries	469		469	435		435	418		418	435		435	437		437
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0			0			0			0
	Subtotal OC 11.8	540	0	540	519	0	519	479	0	479	519	0	519	501	0	501
12.1	Personnel benefits															
12.1	USDH benefits															
12.1	Educational Allowances	86		86	151		151	113		113	151		151	132		132
12.1	Cost of Living Allowances			0			0			0			0			0
12.1	Home Service Transfer Allowances	2		2	1		1	1		1	1		1	1		1
12.1	Quarters Allowances			0			0			0			0			0
12.1	Other Misc. USDH Benefits			0			0			0			0			0
12.1	FNDH Benefits															
12.1	** Payments to FSN Voluntary Separation Fund - FNDH			0			0			0			0			0
12.1	Other FNDH Benefits	162		162	165		165	165		165	165		165	169		169
12.1	US PSC Benefits			0			0			0			0			0
12.1	FN PSC Benefits															
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC			0			0			0			0			0
12.1	Other FN PSC Benefits	244		244	250		250	251		251	250		250	266		266
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0			0			0			0
	Subtotal OC 12.1	494	0	494	567	0	567	530	0	530	567	0	567	568	0	568
13.0	Benefits for former personnel															
13.0	FNDH															
13.0	Severance Payments for FNDH			0			0			0			0			0
13.0	Other Benefits for Former Personnel - FNDH			0			0			0			0			0
13.0	FN PSCs															
13.0	Severance Payments for FN PSCs			0			0			0			0			0
13.0	Other Benefits for Former Personnel - FN PSCs			0			0			0			0			0
	Subtotal OC 13.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21.0	Travel and transportation of persons															

Operating Expenses

Org. Title: USAID/Morocco Org. No: 23608 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
21.0	Training Travel	25		25	10		10	40		40	10		10	30		30
21.0	Mandatory/Statutory Travel															
21.0	Post Assignment Travel - to field	16		16	13		13	7		7	13		13	7		7
21.0	Assignment to Washington Travel	6		6	13		13	6		6	13		13	7		7
21.0	Home Leave Travel	23		23	21		21	8		8	21		21	27		27
21.0	R & R Travel	9		9	12		12	28		28	12		12	14		14
21.0	Education Travel	8		8	6		6	6		6	6		6	6		6
21.0	Evacuation Travel	30		30	20		20	30		30	20		20	24		24
21.0	Retirement Travel			0			0			0			0			0
21.0	Pre-Employment Invitational Travel			0			0			0			0			0
21.0	Other Mandatory/Statutory Travel			0			0			0			0			0
21.0	Operational Travel															
21.0	Site Visits - Headquarters Personnel	25		25	25		25	25		25	25		25	25		25
21.0	Site Visits - Mission Personnel	30		30	18		18	35		35	18		18	30		30
21.0	Conferences/Seminars/Meetings/Retreats	12		12	9		9	25		25	9		9	12		12
21.0	Assessment Travel			0			0			0			0			0
21.0	Impact Evaluation Travel			0			0			0			0			0
21.0	Disaster Travel (to respond to specific disasters)			0			0			0			0			0
21.0	Recruitment Travel			0			0			0			0			0
21.0	Other Operational Travel	45		45	25		25	45		45	25		25	45		45
	Subtotal OC 21.0	229	0	229	172	0	172	255	0	255	172	0	172	227	0	227
22.0	Transportation of things															
22.0	Post assignment freight	100		100	126		126	42		42	126		126	42		42
22.0	Home Leave Freight	10		10	11		11	5		5	11		11	15		15
22.0	Retirement Freight			0			0			0			0			0
22.0	Transportation/Freight for Office Furniture/Equip.	7		7	17		17	12		12	17		17	11		11
22.0	Transportation/Freight for Res. Furniture/Equip.	15		15	20		20	15		15	20		20	15		15
	Subtotal OC 22.0	132	0	132	174	0	174	74	0	74	174	0	174	83	0	83
23.2	Rental payments to others															
23.2	Rental Payments to Others - Office Space	100		100	112		112	100		100	112		112	100		100
23.2	Rental Payments to Others - Warehouse Space	26		26	25		25	26		26	25		25	26		26
23.2	Rental Payments to Others - Residences	126		126	117		117	126		126	117		117	127		127
	Subtotal OC 23.2	252	0	252	254	0	254	252	0	252	254	0	254	253	0	253
23.3	Communications, utilities, and miscellaneous charges															
23.3	Office Utilities	35		35	54		54	54		54	54		54	54		54
23.3	Residential Utilities	81		81	66		66	85		85	66		66	89		89
23.3	Telephone Costs	40		40	32		32	44		44	32		32	46		46
23.3	ADP Software Leases			0			0			0			0			0
23.3	ADP Hardware Lease			0			0			0			0			0
23.3	Commercial Time Sharing			0			0			0			0			0
23.3	Postal Fees (Other than APO Mail)			0			0			0			0			0
23.3	Other Mail Service Costs			0			0			0			0			0
23.3	Courier Services	2		2	2		2	3		3	2		2	3		3
	Subtotal OC 23.3	158	0	158	154	0	154	186	0	186	154	0	154	192	0	192

Operating Expenses

Org. Title: USAID/Morocco Org. No: 23608 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
24.0	Printing and Reproduction	10		10	11		11	10		10	11		11	11		11
	Subtotal OC 24.0	10	0	10	11	0	11	10	0	10	11	0	11	11	0	11
25.1	Advisory and assistance services															
25.1	Studies, Analyses, & Evaluations			0			0			0			0			0
25.1	Management & Professional Support Services	48		48	45		45	50		50	45		45	45		45
25.1	Engineering & Technical Services			0			0			0			0			0
	Subtotal OC 25.1	48	0	48	45	0	45	50	0	50	45	0	45	45	0	45
25.2	Other services															
25.2	Office Security Guards	35		35	18		18	38		38	18		18	39		39
25.2	Residential Security Guard Services	19		19	21		21	21		21	21		21	22		22
25.2	Official Residential Expenses	2		2	2		2	2		2	2		2	2		2
25.2	Representation Allowances	1		1	1		1	1		1	1		1	1		1
25.2	Non-Federal Audits			0			0			0			0			0
25.2	Grievances/Investigations			0			0			0			0			0
25.2	Insurance and Vehicle Registration Fees	5		5	5		5	5		5	5		5	5		5
25.2	Vehicle Rental			0			0			0			0			0
25.2	Manpower Contracts			0			0			0			0			0
25.2	Records Declassification & Other Records Services			0			0			0			0			0
25.2	Recruiting activities			0			0			0			0			0
25.2	Penalty Interest Payments			0			0			0			0			0
25.2	Other Miscellaneous Services	5		5	6		6	6		6	6		6	6		6
25.2	Staff training contracts	25		25	25		25	30		30	25		25	30		30
25.2	ADP related contracts			0			0			0			0			0
	Subtotal OC 25.2	92	0	92	78	0	78	103	0	103	78	0	78	105	0	105
25.3	Purchase of goods and services from Government accounts															
25.3	ICASS	167		167	170		170	170		170	170		170	170		170
25.3	All Other Services from Other Gov't. accounts			0			0			0			0			0
	Subtotal OC 25.3	167	0	167	170	0	170	170	0	170	170	0	170	170	0	170
25.4	Operation and maintenance of facilities															
25.4	Office building Maintenance	81		81	62		62	76		76	62		62	76		76
25.4	Residential Building Maintenance	65		65	90		90	65		65	90		90	65		65
	Subtotal OC 25.4	146	0	146	152	0	152	141	0	141	152	0	152	141	0	141
25.7	Operation/maintenance of equipment & storage of goods															
25.7	ADP and telephone operation and maintenance costs	34		34	49		49	36		36	49		49	37		37
25.7	Storage Services			0			0			0			0			0
25.7	Office Furniture/Equip. Repair and Maintenance	12		12	17		17	12		12	17		17	13		13
25.7	Vehicle Repair and Maintenance	5		5	18		18	9		9	18		18	10		10
25.7	Residential Furniture/Equip. Repair and Maintenance	6		6	10		10	8		8	10		10	8		8
	Subtotal OC 25.7	57	0	57	94	0	94	65	0	65	94	0	94	68	0	68

Operating Expenses

Org. Title: USAID/Morocco Org. No: 23608 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.8	Substance & spt. of persons (by contract or Gov't.)			0			0			0			0			0
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26.0	Supplies and materials	78		78	65		65	75		75	65		65	75		75
	Subtotal OC 26.0	78	0	78	65	0	65	75	0	75	65	0	65	75	0	75
31.0	Equipment															
31.0	Purchase of Residential Furniture/Equip.	42		42	48		48	43		43	48		48	42		42
31.0	Purchase of Office Furniture/Equip.	10		10	10		10	15		15	10		10	10		10
31.0	Purchase of Vehicles			0	0		0	50		50			0			0
31.0	Purchase of Printing/Graphics Equipment			0			0			0			0			0
31.0	ADP Hardware purchases	25		25	45		45	45		45	45		45	45		45
31.0	ADP Software purchases			0			0			0			0			0
	Subtotal OC 31.0	77	0	77	103	0	103	153	0	153	103	0	103	97	0	97
32.0	Lands and structures															
32.0	Purchase of Land & Buildings (& bldg. construction)			0			0			0			0			0
32.0	Purchase of fixed equipment for buildings			0			0			0			0			0
32.0	Building Renovations/Alterations - Office			0			0			0			0			0
32.0	Building Renovations/Alterations - Residential			0			0			0			0			0
	Subtotal OC 32.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42.0	Claims and indemnities			0			0			0			0			0
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BUDGET		2700	100	2800	2870	0	2870	2870	0	2870	2870	0	2870	2870	0	2870

Additional Mandatory Information

Dollars Used for Local Currency Purchases

1829

1973

1975

1973

2051

Exchange Rate Used in Computations

9

9.5975

9

9

9

9

** If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.

On that form, OE funded deposits must equal:

0

0

0

0

0

Organization: USAID/MOROCCO

Foreign National Voluntary Separation Account									
Action	FY 1999			FY 2000			FY 2001		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits			0.0			0.0			0.0
Withdrawals			0.0			0.0			0.0

Local Currency Trust Funds - Regular			
	FY 1999	FY 2000	FY 2001
Balance Start of Year	1,000.0		
Obligations	1,000.0		
Deposits			
Balance End of Year	0.0	0.0	0.0

Exchange Rate 9.5975 _____

Local Currency Trust Funds - Real Property			
	FY 1999	FY 2000	FY 2001
Balance Start of Year			
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

Exchange Rate _____

Accessing Global Bureau Services Through Field Support and Buy-Ins

Objective Name	Field Support and Buy-Ins: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)			
				FY 2000		FY 2001	
				Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau
SO1 FP/MCH	PLP 936-3070	High	2000		100		
SpO7 FP/MCH	TAACS 936-5970	High	2000-2004				250
SpO7 FP/MCH	MEASURE I 936-3083.01	High	2000-2004				300
SpO7 FP/MCH	MEASURE II 936-3083.02	High	2000-2003		100		
SpO7 FP/MCH	CMS 936-3085	High	2000-2004		300		500
SpO7 FP/MCH	MOST 936-3094	High	2000-2004		200		
SpO7 FP/MCH	TBD - Program Support	High	2000-2004		1,800		950
SpO8 Basic Ed	GEA 936-5848	High	2000-2001		500		500
GRAND TOTAL.....					3,000		2,500

* For Priorities use high, medium-high, medium, medium-low, low

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Annexes

Environmental Impact

Under the current Mission strategy, in 1997 and 1998 three initial environmental examinations (IEEs) and two full environmental assessments (EAs) were completed for Water Resources Sustainability (WRS) pilot activities (608-0222), one IEE was completed for the Urban and Environmental Services (UES) activity (608-0221), one IEE was completed for the Joint Action Incentive Fund (JAIF) Project, and two IEEs were completed under the MAP activity (608-0210).

For FY99 and 2000, under the new environmental strategic objective: “Improved Water Resources Management in the Souss-Massa River Basin” one IEE will be prepared for a new activity that is under development. Based on the results of this IEE, additional requirements may be needed for the FY99-2000 period. The new economic growth strategy (SO6) may also require additional approval of IEEs during the period 1999-2000.

Under the newly approved IEEs and EAs, environmental consequences of USAID-financed activities were identified and analyzed in accordance with USAID environmental regulations. Suggested remedial actions were made and acted upon to assist the Mission in managing effective environmental programs.

Under all USAID pilot activities, (except Drarga and Dokkarat, for which EAs were prepared and approved), USAID actions related to operation and management plans and general technical guidance. These plans and guidance were limited and consisted mainly of technical assistance to help communities and responsible officers at the national level to better understand rules and regulations to protect the environment. All our projects are small and considered to be pilots for future dissemination to other donors and/or the GOM. In fact, as described below, on-going pilot projects are very much consistent with the Mission’s environmental strategy and, according to our best knowledge, there is no need for revising already approved IEEs and EAs. Following is a short up-date on these recent IEEs and EAs.

Water Resources Sustainability Activity: (608-0222)

- Dokkarat Tanneries/Fes

The Mission and the USAID/W Environmental Officer approved the EA for Dokkarat/Fes on a provisional basis, pending completion of the final engineering design. Following the completion of the engineering design component of the Dokkarat Chromium Recovery Pilot Project, the EA was revised and approved. Based on the IEE and EA recommendations, the engineering design, the construction work, the technical assistance and the analyses and studies associated with this activity respond positively to the Mission’s environmental strategic objective. According to our last estimation, the separation facility will reduce chromium pollution by over 90 percent. All issues raised prior to the design are now being addressed. The station will be completed by June 1999.

- Wastewater treatment plant at Drarga/Agadir

The design of a wastewater treatment facility for the small town of Drarga was completed in 1998. The construction of the pilot project is underway. As recommended in the IEE and EA, the Drarga wastewater treatment plant will provide a treated effluent that meets water quality standards for reuse in irrigation. The

pilot project will improve environmental and economic conditions in Draga and reduce potential threats to public health and the environment by eliminating discharges of domestic wastewater into an open cesspool. The Drarga pilot project responds positively to the Mission's environmental strategic objective through the establishment of a model rural wastewater treatment and reuse system that can be replicated in other areas with similar sanitation conditions. The most significant issues identified during the scoping session, IEE and EA process related to (1) potential groundwater contamination; (2) site selection; and (3) risk of flooding are being mitigated. The widening of Oued (River) Larba to protect the site from flooding was completed in 1997.

- **Nahkla Soil Erosion Control Pilot Project**

For the entire activity, a negative determination for the implementation phase was approved. The work is progressing well with no significant negative effect on the environment.

Morocco Urban Infrastructure, Land Development and Financing Activity Program (608-0221):

- **Urban Environmental Services Activity**

Pilot demonstration projects deal with wastewater and solid waste. USAID activity is limited to providing guidance on optimum siting criteria, on pre-feasibility studies, and on issues related to urban infrastructure financing and operations. Because of this limitation, a negative determination was recommended and approved. All TA provided for the pilot projects in Azrou, Ouled Teima and Meknes was consistent with a negative determination for these activities.

Joint Action Initiative Fund (Global Bureau)

- **Wastewater treatment at Ouled Teima**

Under this pilot project, USAID responsibility is limited to a pre-feasibility study of wastewater treatment and reuse facilities, institutional development to facilitate co-management of the facility at national and local levels, and training and support of community groups. In July 1998, a negative determination was approved. We do not expect any significant negative impact on the environment.

Morocco Agribusiness Promotion Activity

The Mission and Washington cleared the two IEEs for the "oil" and "dried herbs" activities under the MAP Activity. Both IEEs recommended a negative determination for two small pilot projects (\$25,000 each). USAID funds were not used for the procurement or use of pesticides. The projects assisted small businesses improve and sustain the extraction of essential oils derived from organically certified herbs and spices. The projects did not deal with any major environmental issues. Both projects were closed-out on December 31, 1998.

In summary, and according to our best knowledge, all Regulation 16 issues related to our activities are under control and responding to the Mission environmental strategy.

SO2 - Policy Reform Agenda

Definition of Policy Issues

SO2's policy agenda supports the principle of **Integrated Water Resources Management (IWRM)** -- to reconcile competing claims on limited supplies by efficiently managing the resource for human and environmental use, given the high natural variability of the weather and climate in Morocco. The principal components of IWRM include water demand management, water supply enhancement, water quality improvement and the strengthening of the principal institutions working in the sector.

Policy Emphasis 1: Water Demand Management

- Encourage **progressive pricing policies** to bring demand into balance with supply. A pricing structure for irrigation water reflecting actual costs is adopted on a progressive basis, with regularly scheduled increases over the next several years. Pricing for potable and reutilized wastewater reflects actual costs, and revenue from water charges supporting water system activities on a sustainable basis.
- Support the **decentralization of water management authority**. Implementing decrees for the devolution of water management authority to Watershed Agencies should be issued, as called for in the Water Law. The Ministry of Agriculture should reach agreement with the Ministry of Public Works regarding the clear allocation of roles and responsibilities of the Watershed Agencies and the irrigation authorities (ORMVAs) for those water sector functions that both parties may claim.

Policy Emphasis 2: Water Supply Enhancement

- Encourage the **use of environmental assessments prior to urban infrastructure investment**. ANHI and FEC should conduct environmental assessments prior to investment rather than rely on after-the-fact assessments. Relevant ANHI, FEC and selected municipality staff need to be trained in methods of urban project assessment, planning and design of environmental impact assessments, etc., to build adequate capacity to undertake the necessary environmental reviews for their projects.
- Encourage **private sector involvement in urban infrastructure service delivery**. Increased volume and efficiency of investment in infrastructure require the opening of most sectors to competition and private capital. Although the GOM has clearly stated its policy to encourage greater private provision of environmental infrastructure, the institutional and regulatory framework of promising, key municipal sectors --water distribution and solid waste disposal is still to be adapted to reflect this strategy.

Policy Emphasis 3: Water Quality Improvements

- Develop **targeted industrial effluent norms and standards**. The Ministry of Environment (MOE) should coordinate development and adoption of environmental norms and standards (by sector) by the Comité des Normes et Standards. Proposed norms and standards in the tannery and metal plating sectors need to be developed and tested.

- Support the **implementation of the polluter-pays principle**. The MOE should develop ways and means to implement the "polluter-pays principle", wherein polluting industries are fined at a significant enough level to provide ample economic incentives for investments in pollution prevention and clean technologies.

Policy Emphasis 4: Institutional Strengthening

- Help assure the **acceptance of the Ministry of the Environment as a coordinating ministry in the sector**. Through the establishment of an Interministerial Steering Committee for the WRS activity, the MOE will coordinate work with local, regional, and national agencies on the three demonstration activities. As the MOE coordinates activities among agencies, and as new technologies are adopted and associated policies evolve, its credibility and stature will be enhanced within the government.
- Actively seek **the empowerment of water users associations (WUAs)**. Steps necessary to support the progressive transfer of irrigation system operations and maintenance responsibilities to the WUAs should be undertaken by the ORMVAs. Organizational issues and related training needs to be addressed, legislative and administrative issues concerning financial autonomy of the WUAs needs to be reviewed, assistance to manage the tertiary irrigation canal system must be provided to WUAs, and WUA participation on the ORMVA Board of Directors must be accepted.
- Enhance the **efficiency of irrigation authorities** through reduction in state subsidies, downsizing, and increasing their autonomy. This re-engineering process will permit the authorities to effectively respond to the on-going liberalization program of the irrigated agriculture sector in Morocco. ORMVAs should be able to generate (through water fees) enough funds to support their personnel and to finance the on-going rehabilitation program of the irrigated perimeters. ORMVAs will then become strong regional institutions controlled partially by representatives from WUAs.
- Enhance the **sustainability of ANHI and FEC**. These two organizations should contribute to improve shelter conditions and to increase the capability of municipalities to provide shelter-related infrastructure and environmental services, in particular improved liquid and solid waste management, on a more sustainable basis. For ANHI, the institutional goal is to assist it to restructure its organization and finances to enable it to maintain quality and productivity in the face of changing conditions. For the FEC, the institutional goal is to adapt the institution to its new role as a bank, rather than public parastatal, reducing government protection and increasing the competitiveness of its products and its clients, municipalities, in the financial markets. Through an improved municipal credit program, FEC will help establish implement and monitor environmental planning norms and procedures for construction by municipalities or urban environmental infrastructure and community facilities.

Updated Results Framework

Below is the current approved and the proposed new results framework for USAID/Morocco. The proposed new objectives are included in the 1999 – 2005 Country Strategic Plan (CSP) to be reviewed and approved in May 1999.

Current Approved Framework:

SO1: Reduced Fertility and Improved Health of Children under Five and Women of Child-bearing Age

- IR 1.1: Greater Access to Quality FP/MCH Services Responsive to Client Demand
- IR 1.2: Improved Policy Environment Supporting the Expansion of FP/MCH Services
- IR 1.3: Reinforced Capacity to Manage FP/MCH Programs in a Decentralized Demand-driven Mode
- IR 1.4: Increased Diversification of the Resource Base for FP/MCH

SO2: Improved Water Resources Management in the Agricultural, Urban and

- IR 2.1: Improved Policy, Regulatory and Institutional Framework
- IR 2.2: Improved Environmental Technologies
- IR 2.3: Broadened Public Participation for Environmental Action

SO3: Expanded Base of Stakeholders in the Economy, Targeting People of Below- Median Income

- IR 3.1: Improved Policies and Regulatory Environment
- IR 3.2: Creation and Expansion of Small and Microenterprises
- IR 3.3: Increased Access to Housing for Below-median-income Households
- IR 3.4: Improved Competitiveness of USAID-assisted Firms which Generate Employment for Below-median-income People

SpO4: Increased Attainment of Basic Education Among Girls in Selected Rural Pilot Schools Using a Replicable Model

- IR 4.1: Increased Responsiveness of the Basic Education System to Girls' Education Needs
- IR 4.2: Institutionalization of Basic Education Policy Reform
- IR 4.3: Increased Participation of Girls' Education Partners

Proposed New Results Framework:

- IR 5.1: Improved Policies for Private Sector Expansion
- IR 5.2: Strengthened Institutional Capacity to Foster Private Enterprise

SO6: Improved Water Resources Management in the Souss-Massa River Basin

IR 6.1: Improved Institutions and Policies for Water Resources Management in the Souss-Massa River Basin

IR 6.2: Dissemination and Implementation of Best Practices in Water Management

IR 6.3: Democratization Accelerated Through Increased Capacity for Participation in Resource Management

SpO7: Key Interventions Promote Sustainability of Population, Health and Nutrition Programs

IR 7.1: Decentralized management of primary health care services established (pilot)

IR 7.2: Access to private sector FP/MCH services increased nationwide

Support Activity: Technical assistance to the MOH for selected systems developed in partnership with USAID

SpO8: Increased attainment of basic education among girls in selected rural areas

IR 8.1: Increased responsiveness of the basic education system to girls' education needs

IR 8.2: Institutionalization of basic education policy reform

IR 8.3: Strengthened capacity and increased participation of girls' education partners

Program Integration, Synergy and Cross-cutting Themes

The current (ending) USAID/Morocco strategy stresses a series of cross-cutting themes that would be emphasized by each strategic objective team. However, the nature of these themes (e.g., common focus on below-median-income levels, emphasis on enabling policy environments, emphasis on private initiative and expansion of civil society, etc.) and the management approaches being used did not anticipate any synergies between the various strategic/special objectives. There are currently no interdependencies in our current strategy.

This will change with the new (FY99 – FY2005) strategy. In order to maximize the impact of available resources, USAID/Morocco will increase its attention on the synergies among the four sectors of continued intervention. This includes maximizing programming in one of the 16 newly created geographic regions -- the Souss–Massa–Draa. Additionally, efforts will concentrate on two cross-cutting themes: (a) gender and (b) local capacity, both of which further decentralization and local empowerment. The nature, rationale and approach are outlined in the new Country Strategic Plan.

The emphasis on cross-cutting themes, synergies and leveraging the participation of other funding agencies in our four sectors of focus will increase the overall impact of the USAID program. It will also demonstrate to national and regional governments, civil society and the private sector, the opportunities and benefits of local cooperation in managing scarce resources.

The risk to this approach of synergy, relative regional concentration, cross-cutting themes and leveraging other resources is that of interdependency. Pivotal, annual resource decisions in one sector (be they decisions made in AID/W or within the Mission) will have increasing impacts on the overall program and on the progress that can be reasonably anticipated. This is particularly true given the relative small size of our program in which small changes in the budget may represent significant percentage swings and, therefore, seriously affect what can and cannot be accomplished.

While leveraging other resources (from other international donors, foundations, the private sector, communities, NGOs, local and national governments) will be a hallmark of our new strategy, the Mission will be careful to avoid issues of attribution. We will present our targets in terms of what we can reasonably achieve (manageable interests); will incorporate in our activities an increasing use of the “demonstration effect” vis-à-vis other potential funding sources, and be ready to report progress where significant leveraging is achieved, and lessons learned where none is achieved.

Evaluation Agenda

Strategic Objectives' Evaluation Agenda					
Strategic/Special Objective *	Activity **	Last Eval	FY99	FY00	FY01
<u>Current SO3</u> : Expanded Base of Stakeholders in the Economy, Targeting People of Below-median Income <u>New SO5</u> : Increased Opportunities for Domestic and Regional Trade and Investment	Microenterprise Finance Activity				X
	New Enterprise Development	11/95			
	Morocco Agribusiness Promotion	10/95			
<u>Current SO2</u> : Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors <u>New SO6</u> : Improved Water Resources Management in the Souss-Massa River Basin	Water Resource Sustainability				
	Tadla Resource Management	11/96			
	Urban Infrastructure Program				
	Urban and Environmental Services	12/96	X		
	Improved Water Resources Management				X
<u>Current SO1</u> : Reduced fertility and Improved health of Children Under Five and Women of Childbearing Age <u>New SpO7</u> : Key Interventions Promote Sustainability of Population, Health and Nutrition Programs	Family Planning and Child Survival V	8/98***	X Program (audit)		
<u>Current SpO4</u> : Increased Basic Education Attainment among Girls in Selected Rural Areas <u>New SpO8</u> : Increased attainment of basic education among girls in selected rural areas	Morocco Education for Girls			X	
	Girls Education Activity				
	Training for Development	1994			

* New SO/SpO titles as proposed in the 1999 – 2005 CSP.

** Current activities only. Additional activities will be added following approval of the new CSP.

*** Composite review of existing activity-level evaluations.